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WALLON SOCIALISTS GIVE VIEWS ON REGIONAL, ECONOMIC ISSUES

Brussels LA LIBRE BELGIQUE in French 6 Oct 86 p 3

[Text] The Socialist Party [SP] reconvened for its statutory congress in Eupen on Saturday. The town of Eupen was chosen in anticipation of the forthcoming elections (on 26 October) for the replacement of the German-Speaking Community Council.

There were many, often very lengthy, speeches delivered before a relatively apathic and, sometimes, very sparse audience. Spitaels even uttered these very harsh words in the course of his speech: "All the same, we are slightly more numerous than at the party bureau..."

Yet, several of the speeches deserve to be mentioned, for they show well the current state of mind of the party, in both community and socio-economic areas.

Andre Baudson (Charleroi) is delighted that the SP is currently submitting another policy which takes into account economic, financial and social realities; he declared: "Acting as spectators is over."

According to the speaker, the Happart decree is a "Slap in the face of democracy and universal suffrage." He invited the congress members to think about the last lines of a recent editorial in LA LIBRE BELGIQUE: "As ridiculous as this issue may appear, it will show, like that of the Fourons, whether or not Belgium can survive." He continued: "The tragedy is that there are Flemings and Belgians and that we are the Belgians! We must not be afraid. The Flemings must understand that they, themselves, will have to pay for everything, namely, their ports, mines, schools and universities. Their only recourse will be to appeal for funds to the Batavi who amply match the Scots when it comes to stinginess. We are in favor of changing the state and even of changing state. If we remain strong, the Flemings will crack."

Concerning the Fourons, Philippe Moureaux (Brussels) reiterated an evaluation by the SP president: "We must not delude ourselves. When the Flemish movement sees an open door and no one behind it, it walks in as far as possible." He predicted that "If the French-speaking parties are swayed by the Happart affair, tomorrow, it will be Brussels' turn, then it will be the parity of the council of ministers that will be canceled, and so on."

"The Egg And The Beef"

Philippe Moureaux chose a picturesque expression when reacting to the statements of Simonet, Theo Lefebvre (when he spoke) and Jose Desmarets: "If you allow the Fourons egg to be gobbled up, the CVP [Social Christian Party] and the PVV will sample the Brussels beef with a little Wallon butter washed down with Ukkel wine." And he requested once again "The Wallons' support in order to enforce the rights of Brussels."

"The C4 For The King"

Andre Cools also used a jarring expression about the Happart affair. Paraphrasing Manu Ruys, the former SP president declared: "The Flemish editorialist leaves us two choices: Either Belgium will be Flemish or the king will get his C4 (walking papers)!" Cools, who was glad that, thanks to President Spitaels, the SP was able to show that it had a budgetary alternative, wondered if the FGTB [General Labor Federation of Belgium] would be able to adjust itself to the communal reality of Belgium. He added: "Today, even LA LIBRE BELGIQUE is forced to recognize that the communal concept is not a linguistic problem but an economic one."

Let us also note this compliment to President Spitaels: "We are lucky to have a clear-headed president who is courageous."

Cools spoke emotionally on poverty at the end of his speech: "In my own commune, I see 20-year old women, holding their children in their arms and bearing the marks of poverty, who look as though they were 50; their appearance remind me of the workers of my youth, whom I have not forgotten." He also spoke about "All those forgotten people who will not be protected in the sectorial or enterprise negotiations." He concluded: "Tomorrow, they will be the people who are ready for anything, like these English unemployed who were responsible for the death of Italian unemployed in the Heysel." Cools was acclaimed. Dehousse was the only one not to applaud.

Happart's Speech

As for Jose Happart, who did not receive the ovation one would expect, he first announced to the congress members that the rumors about possible defections within the "Return to Liege" group were baseless. He wondered about the fate awaiting the deputy district commissioner of Fourons, before ending with these words: "If Happart is not worth a crisis, democracy is, indeed, worth a war."

Jean Maurice Dehousse (expressing his own views) regretted that the Wallon executive was not being heard concerning problems as serious as those of Cockerill and the ACEC [Charleroi Electrical Engineering Shops]. He pleaded for solidarity between Wallons and Brussels residents and stressed that, with the arrogance of the fourth Chamber of the Council of State, we had left the legal state. Dehousse demanded more grass root action otherwise Martens would be able to get a second Val Duchesse approved.

Jacques Yerna (expressing his own view) regretted the absence of the FGTB Wallon Interregional from the congress (Editor's note: Gayetot was absent).

As far as he was concerned, the SP-FGTB plan was no longer valid. He endorsed a permanent dialog between the two parties, but he would like to see each one resume its own independence "In order to shift more to the left."

"Time Will Be On Our Side"

In closing the statutory congress of his party late in the afternoon, Guy Spitaels recalled that "The SP wants to be open and realistic." He made it a point to specify: "We are available, but not impatient, to share the responsibilities of power. We are not ready to give up and do anything, no matter what. It is better to wait than to do something dishonorable."

Concerning the Fourons, Spitaels warned those who want to pass off this problem as "the latest Belgian story." He stressed that the dynamics of the Flemish legislative judge will not stop there and that it had stigmatized the new Flemish offensive on both the Brussels and Flemish level.

He declared: "The SP will remain faithful to radical federalism. May excess come from the others." Spitaels also reasserted that he placed a joint basic French-speaking platform as a preliminary step to any discussion on state reform.

Recalling the content of his "counterplan," Spitaels stressed that, on an economic level, the party had wanted "To show that there were ways to act to the detriment of anyone, no matter who."

The SP president declared himself resolutely in favor of economic recovery, believing that, more than ever, Martens VI had failed in all areas.

Spitaels' conclusion was well received: "I beseech the party not to act childishly. Let us act as adults. Andre Cools held his peace for a long time. I am happy that he is back in great shape and that the congress greeted him as it did. The party is standing firm on its communal base, well entrenched in its economic and social positions. I am convinced that time is on our side!"

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NEW COALITION GOVERNMENT PROGRAM

Nicosia KUZUY KIBRIS TURK CUMHURİYETİ RESMİ GAZETE in Turkish 8 Sep 86 pp 225-238

["The Government Program of the National Unity Party-New Birth Party Coalition Government, headed by Dr Dervis Eroglu and approved by the President on 2 September 1986, as read in the Republican Assembly on 8 September 1986"]

[Text] Mr Speaker, Honorable Members:

The National Unity Party [NUP]-New Birth Party [NBP] coalition government which took office after being approved by our President on 2 September 1986 is an alternative government model that has emerged in the light of the new political alignment in the Assembly as a result of the June 1985 general elections; its primary goal is to resolve the economic and social problems of our country at this critical juncture of the Cyprus problem.

The current political alignment in the Assembly is a reflection of our people's free will. This outcome was produced by the 1985 general elections which were held in an atmosphere of freedom. Today, our political parties fully represent the free will of our people in the auspicious Assembly. Consequently, allegations and allusions by certain circles that the administration in Northern Cyprus does not represent the national will clearly do not reflect the truth.

The NUP-NBP government that has been formed will be a unifying, not divisive, administration and will preserve the unity of our community by emphasizing the community's rather than the parties' interests.

The support of our people coupled with the material and political assistance of the Motherland will give us strength to implement our government's programs and to resolve problems and will be an indispensable help in the attainment of the desired goals.

Our government, which believes that the Turkish Cypriot people is an inseparable part of the great Turkish nation, is determined to defend the existence of our republic and our people against all forms of internal and external threats and to perform its functions to facilitate political, social and economic development while strengthening its ties with the Motherland.

Mr Speaker, Honorable Members:

Our government will continue to implement an economic program based on free market principles which will emphasize and give preference to sectors where the country has an advantage in order to help the TRNC [Turkish Republic of Northern Cyprus] to stand up on its own and to become self-sufficient and to build a strong and stable economy.

Within this framework, the primary goals of the government's economic program will be to increase the growth rate, to ensure that the members of the community take their fair share of the growing economy and to reduce inequities in income distribution. In order to attain these goals speedily, the government will take the necessary economic and financial measures while complying with free market principles.

The general economic measures our government will take include: alleviating the inflation problem as much as possible, minimizing official and hidden unemployment, forming a new balance among the sectors and steering and accelerating investments and emphasizing and encouraging the development of sectors where we have an advantage in order to rationalize the TRNC's economic ties with foreign countries.

From this departure point, the economic model that has been implemented in our country until now will be developed at a rate and level which can be considered reformative.

The necessary legislative measures will be taken to encourage investments in accordance with the emphases and priorities to be determined in order to achieve the targeted sectoral balance without creating distortions in the economy.

In order to place government revenues on more rational and realistic foundations for the purpose of realizing the planned economic development, all relevant legislation will be reviewed, and new arrangements will be made.

Mr Speaker, Honorable Members:

With regard to the issues of money, banks and credit, the TRNC Central Bank will be restructured to comply with modern central banking rules, to regulate banks, interests and the money supply and to oversee the securities exchange markets.

The Banking Law and the Currency Exchange Law will be reviewed, and necessary changes will be introduced without delay within the framework of the principles of a liberal economy.

To encourage savings and to channel these savings into investments, interest rates will be kept at a realistic level mandated by the economy.

The savings that will thus accumulate in banks will be channeled into the sectors envisaged by the development plan.

Public spending will be brought under control, economizing measures will be taken in government offices, and projects and allocations designed to invigorate these sectors will be emphasized in the budget.

In order to ensure that the Free Trade Zone and Port play the required role in the country's economy, steps will be taken to expand them, to attract foreign investments and to increase transit trade.

Special attention will be paid to the completion of infrastructure services and the enactment of special legislation to attract to our country offshore banking, insurance, transportation, finance activities and commercial and consulting services, which are widely utilized in other parts of the world.

In areas where domestic investments are inadequate, incentive measures will be introduced to attract controlled foreign investments in order to accelerate investments and to give impetus to the country's development.

Our government will take all necessary measures to rationalize the operation of the State Economic Enterprises so that they contribute to the development of the country without becoming a burden on the government budget.

Mr Speaker, Honorable Members:

All necessary measures will be taken and current work will be stepped up to make the TRNC a more prosperous and well-built country in accordance with the standards being developed. In particular our roads will be developed with the help of our agencies which will be equipped with advanced technology equipment and materials.

As part of the efforts to alleviate the TRNC's transportation and communications difficulties, the Nicosia-Kyrenia road will be completed and put into service soon, and the bottleneck in marine transportation will be resolved by the concurrent completion of the new Kyrenia port.

We are determined to implement the latest technology in new projects to link the TRNC with all the countries of the world by developing advanced modern communications systems which we believe is one of the most important factors in economic development. In order to achieve this goal, the project prepared for the installation of a large capacity telephone switchboard--in addition to the newly installed telex switchboard system--will be activated.

Every effort will be made to resolve the difficulties in air transportation, and, with the help of material and technical assistance from the Motherland, measures will be taken to facilitate the direct flow of people and goods to our country.

Mr Speaker, Honorable Members:

In the economic program we will implement, the tourism sector will serve as a locomotive industry and will be among the high-priority sectors. All necessary incentive measures will be taken to develop tourism and ensure its

contribution to the economy. To that end, a Tourism Incentive law will be enacted.

Domestic and foreign tourism will be encouraged and efforts will be made to promote our touristic potential in the Motherland as well as in third countries, particularly the brotherly Islamic countries.

Bids will soon open for the treatment unit of the Kyrenia sewage project--whose piping section has been completed--and the project will be completed.

The necessary measures will be taken to begin the construction of the Ilgaz Vacation Village project which is similar to the highly successful Karaman Vacation Village project.

Mr Speaker, Honorable Members:

Our government's agricultural policy is aimed at increasing the contribution of the agricultural sector to the country's economy, increasing agricultural productivity and production by maximizing the rational use of agricultural resources, raising the incomes of farmers and farm sector workers and establishing a stable balance between supply and demand.

In the implementation of our agricultural policy:

Production methods will be modernized to increase agricultural productivity; agricultural technology and mechanization will be developed in accordance with the country's needs; modern irrigation systems will be expanded; and intensive farming products will be grown by expanding the irrigated farmlands.

The timely procurement and utilization of agricultural input materials will be ensured; agricultural production will be appropriately steered by developing our agricultural infrastructure and introducing loan advances, floor prices and other incentives; and the necessary measures will be taken to ensure feasible prices for agricultural products.

Cultural measures will be developed to foster early harvests in citrus, potato, grape and livestock production in order to increase harvest value.

Government farm services providing quality breeding animals, seeds and seedlings to the producers will be expanded.

The necessary legislative measures will be taken to establish an Agricultural Research Institute.

With the completion of the Meat Combine Installations in 1987, meat prices will be stabilized, oversupply and loss of slaughter animals will be prevented, animal byproducts will be utilized for commercial purposes, and our exports will assume new proportions.

The fishing industry will be developed by providing technical assistance and loans to fishermen.

To ensure continuity in agricultural production, the producers will be compensated for their losses in natural disasters by allocating domestic and foreign resources to the General Agricultural Insurance Fund. The scope of such insurance will be expanded to include livestock breeding.

Modern silos will be built to store our grain products.

In addition to protecting our existing forests, forest areas which have been denuded of trees for various reasons will be reforested; communication and transportation facilities will be developed in the forests to meet existing needs; necessary measures will be taken to fully utilize the arable lands and resources within forested areas; and the work which has been initiated with regard to the establishment of new recreation areas and national parks and which has yielded positive results will be continued.

Mr Speaker, Honorable Members:

Legislative and administrative measures needed for the invigoration of the trade sector will be taken without delay.

Efforts will be made to steer exports to third countries while trying to import from the Motherland to as much as possible while remaining faithful to free market principles.

In the industry sector, the necessary measures will be taken to ensure that light industry investors who process local raw materials and who can compete on world markets contribute to the development of the country, and existing and new installations will be supported with nondistortive incentives.

Our government will work for the establishment of a Turkish Cypriot Standards Institute and initiate rapid standardization in the country.

Mr Speaker, Honorable Members:

Our government, which believes that the issue of property ownership must be immediately resolved in order to foster economic development in our country, believes in principle that qualified individuals should own property within the framework of constitutional provisions and the stipulations of the Law on Housing, Land Distribution and Equivalent Property.

In order to conclude these implementations speedily and properly, the necessary changes will be made in laws related to the property ownership issue and the necessary administrative measures will be taken. In conjunction with these efforts, savings certificates will be replaced with coupons; regional implementations will continue; and citizens who are in possession of more resources than they are entitled to will be made to transfer their excess resources to those who are entitled to them.

The distribution of land plots to the children of martyrs and victims of incidents will be put into effect speedily, and laws envisaging the granting of points to resistance fighters and members of the Turkish Peace Forces will be implemented.

Government participation is essential in the alleviation of the housing shortage and the minimization of housing rent increases. In large settlement areas where the housing shortage is most acute, the government will continue building public housing projects, while in rural areas the government will develop and implement suitable systems and projects.

In order to ensure planned and healthy growth in cities, modern building codes and master plans will be developed, and land will be allocated to local governments in accordance with public construction plans.

Attention will be paid to the conservation of nature and the environment, and necessary arrangements will be made for that purpose.

Mr Speaker, Honorable Members:

All necessary measures will be taken to ensure the continuation of peace and security in the TRNC.

In order to create a more harmonious working atmosphere for unions, clubs, associations, institutions and similar organizations, the legislative arrangements envisaged by the Constitution will be instituted without delay; organizations will be barred from engaging in activities outside the scope of the purpose of their establishment, and their finances and administrations will be audited.

Bureaucratic hindrances and obstructions encountered in the performance of services for villages and villagers will be eliminated, and problems will be solved locally and in a timely manner by expanding the authority and the means of civil and local governments.

The government-sponsored construction, maintenance and repair of village and rural roads will continue on an accelerated basis.

In addition to the economic development of our citizens in rural areas, their social development will also be emphasized. In particular, our youth will be encouraged to play an active role in the development of villages, and incentive measures will be introduced to make our villages clean, healthy and liveable places.

Work to find and develop additional water resources for parts of our country with inadequate water supplies and to repair water supply networks will continue. In addition, the drinking water projects for Nicosia and Kyrenia will be completed without delay.

In order to maximize the utilization of our water resources, unharnessed surface waters will be brought under control by the building of dams and reservoirs, thus accelerating the development of our water resources. Administrative and technical measures will be implemented for the purpose of continuous utilization of our scarce water resources.

In order to utilize our water resources most economically and productively in irrigation, work that has been initiated with regard to the improvement of

irrigation systems and the expansion of tested irrigation methods will be accelerated; the construction of new irrigation projects will continue.

Alternative water resources will be explored to meet our country's water needs.

In order to utilize our country's mineral resources, work will be carried out to explore for portland cement raw materials as well as industrial materials like bentonite, pigment rocks and clay. Steps will be taken to increase the production of lime, gypsum, bricks and tiles for domestic consumption as well as exports.

All necessary measures will be taken to have a continuous and secure supply of energy for the TRNC.

The necessary financial and administrative measures will be taken to strengthen local governments and to enable them to provide better public service, to play a more active role in price controls and to realize the needed infrastructure investments.

Mr Speaker, Honorable Members:

In compliance with the provisions of the National Education Law which outlines the general goals and principles of Turkish Cypriot national education,

We will continue to ensure that all citizens share intellectually and emotionally the principles and reforms of Atatürkist nationalism, which aroused the national awareness of the Turkish nation, and that citizens are educated along these guidelines; and to train constructive, creative, productive and peace-loving citizens who know how to defend their rights, who are physically, morally, mentally and emotionally well-prepared, who are aware of the realities at the root of the Turkish Cypriot people's struggle for survival, who are loyally committed to this struggle, who are strongly tied to their Motherland Turkey, the Turkish nation, their homeland, their community and their families, who know their duties and responsibilities to their state and who can turn this knowledge and their skills into durable deeds.

Within this framework,

Work to expand preschool education will be accelerated; the need for infrastructure, modern curricula and teaching staff will be filled in order to achieve 100 percent schooling in mandatory elementary and middle school education; and the necessary measures will be taken to offer the citizens a unified educational system which is integrated with its environment.

Current efforts to train middle school students with more modern methods and the most advanced technological means will be accelerated, and vocational and technical training will be emphasized to meet the skilled workforce needs of our development plans. In addition, practical professional training programs will be developed in industry to classify professions and to regulate titles and functions.

Steps will be taken to make the teaching of foreign languages in our schools more efficient. The number of existing Turkish Cypriot public colleges will be increased to meet the community's needs, and the necessary measures will be taken to train the teachers that will be needed in these schools.

Efforts will be made to elevate the Eastern Mediterranean University, which will provide services to both domestic and foreign students with appropriate schools, to the desired levels without delay, and the teachers needed in our country will be trained in that institution.

By ensuring equality of educational opportunity and means at the elementary and middle school level as well as in higher learning, measures will be taken to alleviate the problems of our students studying in Turkey and third countries. Bright university students deprived of financial means will be supported with scholarships and cash grants and will be given the opportunity to study up to the highest levels.

The government will help the cultural and educational problems of our citizens overseas; they will be provided with support and facilities to preserve and to enhance the Turkish language, Turkish culture and our traditions, to strengthen our ties of friendship with the countries they live in and to promote our state.

In addition, the working conditions and salaries of our teachers and educators will be improved and work to offer them additional professional training will be emphasized to enhance their productivity and to help them keep pace with the developing technology.

The necessary efforts will be made to broaden the scope of artistic and cultural work to make it available to all segments of the society.

The government will help Turkish Cypriot culture and art to grow and to open up to the outside world while preserving its characteristics.

The government will use its resources to play a leadership role in the publication and promotion of research and cultural and artistic works as well as other cultural activities. By providing incentives and awards, the government will encourage the growth of art and appreciation for the artist.

Measures will be developed to preserve cultural treasures, ancient works and the historical environment which belong to all humanity.

Our national archives and libraries will be developed in accordance with our needs. Measures will be taken to expand the availability of artistic and cultural activities such as the theater, music, the plastic arts, language, literature, folklore and symphony.

Mr Speaker, Honorable Members:

All legislative and administrative measures will be taken to ensure that our citizens receive preventative and remedial health services on a timely,

regular and secure basis, that health services are run more efficiently and that coordination and harmony exist between private and public health institutions.

In this regard:

Preventative and remedial health services will be provided on an equal and regular basis to all members of the community.

All necessary measures will be taken and implemented to ensure the equal availability of maternal and child health care and family planning services in urban as well as rural areas.

The working conditions of public service physicians and health personnel will be reorganized.

The necessary arrangements will be made to ensure that food quality controls are implemented more effectively.

Work initiated to offer radiotherapy and anti-cancer services to our people will be accelerated; attention will be paid to the completion of the Thalassaemia Center.

Individuals and families who need assistance for various reasons will be helped subject to the availability of resources.

The government will continue to support and to help the families and parents of martyrs and victims of incidents and war veterans and their families to live in human and dignified conditions.

Subject to the availability of our financial resources, efforts will be made to raise aid to the poor and the needy to a level that is compatible with current conditions.

The State Laboratory will continue its useful services with its drug quality control, chemical analysis, forensic medicine, food quality control and analysis and microbiological analysis departments; efforts will be made to raise the equipment and staff of the laboratory to a more adequate level, and measures will be taken to form a scientific research, development and statistics department in the Laboratory.

Mr Speaker, Honorable Members:

As stated before, resolving the unemployment problem within a framework of enhanced investments and an expanding economy is one of the primary goals of our government. All necessary measures will be taken to ensure job security and occupational health.

Working conditions in the labor market will be modernized.

Legislation to ensure maximum fairness in employee-employer relations, to institute labor peace and job security and to regulate other labor issues will

be prepared without delay. With such legislation, collective agreements, strikes, unionization and employer rights and the exercise of these rights will be governed by certain guidelines.

Incentive measures will be taken to ensure the efficient operation of the Industrial Training and Productivity Center and the training of the technical workforce we need.

The Law on the Employment of the Handicapped will be implemented scrupulously, and rehabilitation centers will be established for the handicapped to turn them into producers.

Work toward establishing a single social security system will be accelerated.

It is our most important duty to equip our youth with all types of knowledge and training so that they can perform the duties and fulfill the liabilities they are and will be entrusted with in the development of our community and the elevation of our state and to prepare them for the future in the best possible way.

We intend to ensure that our young participate in educational, cultural, artistic and athletic activities and familiarize themselves with practical knowledge and skills within and without school in order to help them acquire good habits in addition to modern knowledge--so that they can spend their free time for good deeds for themselves, their families, their environment and their country--and to develop their intellectual capacity.

For this purpose, the necessary organizational work will be carried out, facilities will be provided, equipment and installations will be procured, and qualified training personnel will be appointed in cultural, artistic and athletic fields to enable our young to develop their knowledge, skills and capabilities in areas they are interested in. Facilities will be provided to enable them to carry on scientific and technical work and other similar activities, and in addition to expanding existing youth centers for this purpose new centers will be opened to expand services.

Clubs and organizations working for such goals will be encouraged, and incentive measures will be taken to expand their work.

Camps will be developed and expanded to provide recreation and social solidarity opportunities to our youth; these camps will be given an international status to promote ties between our youth and young people from the Motherland and third countries.

Given that the promotion and development of sports is essential for the breeding of a healthy and strong generation and that sports is an effective tool in promoting our country, special emphasis will be placed on sports. Within this framework:

The steering, promotion and development of amateur sports to meet modern and scientific standards will be planned and implemented across the country without discriminating among villages, cities or districts.

Efforts will be made to encourage our citizens to develop their physical capabilities, to engage in athletic activities during their leisure time and to live healthily by participating in athletic activities.

The government will ensure that the youth is trained along social and national goals while maintaining their physical and emotional health.

For these goals:

The necessary measures will be taken to complete all pending athletic centers--in particular the stadium and enclosed athletic center in the Ataturk Sports Center--without delay and to put them into service.

Open-air and enclosed athletic centers which meet international standards and which are equipped with hygienic facilities will be built to enable the Athletics Department and its affiliated sports federations and clubs to carry on their athletic activities.

The construction of neighborhood and village athletic fields will be expanded and completed without delay to promote sports among the masses.

Knowledgeable personnel will be trained and employed to direct activities in existing athletic installations.

Legislation with regard to athletics will be reviewed without delay and rearranged to meet the needs of the day.

Bilateral athletic ties with the Motherland will be expanded and enhanced.

The necessary efforts will be made to establish athletic ties with third countries and to participate in international events.

Mr Speaker, Honorable Members:

Our government's foreign policy will be based on developing our relations with all countries; enhancing our social, commercial and economic ties with the outside world; explaining our just cause most extensively--in particular showing that our Motherland and savior, Turkey, a guarantor power, is not an invader in Cyprus, that it has saved the Turkish Cypriots from Greek invasion and Greek Cypriot terror and that it has brought peace to the island; continuing the longstanding brotherly solidarity in all of our relations with the Turkish Republic with the awareness and security of being an indivisible part of the Turkish nation; and developing and consolidating our relations with Turkey as a most favored nation.

Our government, which considers independence and nonparticipation in any military bloc as the basis of its policies, reiterates its wish that our neighbor, the Greek Cypriot administration, not sabotage the island's independent and nonaligned status as a whole or take postures which may help a military bloc, and declares that any moves to the contrary will be considered as a new inimical stance against the TRNC's independence and nonalignment.

As part of the peaceloving foreign policy of the TRNC--which was declared on 15 November 1983 as the inevitable result of the Turkish Cypriot people's legitimate and irrepressible will-- and based on the principle of "peace at home, Peace in the world," our government will consider it its duty to preserve peace in the Mediterranean and our neighboring region. In doing that, our foreign policy will be based on pursuing an enlightened policy aimed at establishing relations with all countries on the basis of friendship, mutual respect and noninterference in each others' internal affairs.

With this viewpoint and approach, we once again extend our hand of peace and friendship to the Greek Cypriot people and we hope that they respond with candor and good will. We would like to reiterate our belief that two peoples obligated to live side by side on one island can still find a peaceful, fair and durable solution to all outstanding problems between them through talks based on equality.

Our people, who were deprived of peace and security for 11 years, and our government believe that the continuation of Turkey's guarantorship is an indisputable prerequisite for the durability and credibility of such a peace; within this framework, our government reiterates its belief that if the Greek Cypriot side does not intend to repeat what it did to the 1960 republic, then Turkey's guarantorship will not hurt Greek Cypriots in any way.

The government will continue and intensify ongoing efforts to develop our young republic economically, politically, socially and culturally, to expand its relations with the outside world, to ensure that it takes the place it deserves among the community of nations and to consolidate that place and to open missions that will carry out effective work in this area.

One of the principal elements of our foreign policy will be to make energetic moves to explain to the world that the Greek Cypriot administration--which hides behind the facade of a phony "Republic of Cyprus" and which has illegally usurped the name of the partnership government they ruined by the force of arms--has no right to represent Turkish Cypriots and to speak on their behalf. In this regard, an important goal we will focus on will be to defend the interests of the Turkish Cypriot people with regard to the advantages secured on behalf of Cyprus by the Greek Cypriot missions in international organizations such as the EEC and the Council of Europe.

The government will emphasize efforts to expand existing contacts and invitations which were begun in the past and which have yielded useful results for promotion purposes; to establish closer relations with lobbies developing in our favor in Europe and the United States; and to utilize all our students studying abroad as voluntary representatives of our just cause by providing them with necessary information material.

Such efforts will be intensified with regard to the Islamic world in particular, and steps will be taken to prevent the passage of resolutions against us in conferences where the Cyprus question is discussed only by listening to the representative of the racist Greek Cypriot administration and without listening to Turkish Cypriot representatives.

Our foreign affairs organization, which will steer and implement our foreign policy, will be developed at home and abroad as far as conditions permit. In this regard, programs will be organized at home and abroad to train personnel who will represent our state successfully overseas, and using suitable formulas, centers will be established in various countries to act as representative missions.

Administrative and other measures will be taken with respect to our foreign affairs organization to enhance its effectiveness, and its ability to defend national cause and to promote it to the outside world will be maximized.

One of the principal objectives of our government is to establish ties with the tens of thousands of Turkish Cypriots living in various countries and their organizations, to take responsibility for their problems and to utilize them in the promotion of the TRNC and the defense of our cause. In order to achieve this goal, the Overseas Turks Desk, set up within the foreign affairs organization, will be enhanced by equipping it with the necessary administrative and financial means.

Our citizens who live in large close-knit communities in foreign countries and their children have educational, cultural and social problems that need resolution. One of our primary goals will be to help the resolution of those problems to the extent that our resources permit and to ensure that Turkish culture and traditions are instilled in the new generations.

Today, we are living at a time when international relations are extremely confused. Our government, which believes that international cooperation is essential to combat terrorism which is one of the leading threats to mankind, will consider it its duty to contribute with all its resources to any international cooperation effort that may be organized on this issue.

Mr Speaker, Honorable Members:

Our government, which believes in the importance of the human factor in the running of government, finds the reorganization of public service necessary. Legislative steps will be taken to reform the public service system by increasing efficiency and instituting a workable system, enhancing the respectability of public service and instilling discipline in the service through the rationalization of its structure, and to make public service salaries attractive by putting into effect a new public service pay scale.

Work to end conflict of functions and authorities among various government departments will be completed without delay.

Personnel training programs will be implemented scrupulously.

Mr Speaker, Honorable Members:

Our government, which believes that our press and media organizations--which hold an esteemed place in the Turkish Cypriot people's struggle for freedom--have made major contributions in the promotion of our state and raising the

awareness of our people, will pay attention to the development of its relations and the resolution of its problems with the press.

Work and investments to strengthen the Bayrak Radio and Television Corporation, which has steadily grown since the first day of our national struggle and which has performed the duties it has been charged with successfully, will be completed and the corporation's scope of functions will be expanded.

Mr Speaker, Honorable Members:

In its decisions and implementations our government will always remain faithful to the principles of social and constitutional government and the supremacy of the law as envisaged by our Constitution.

Our most indispensable duty will be to uphold the unity, integrity, happiness and welfare of the Turkish Cypriot people above any party interests. We believe that the preservation of the basic rights and freedoms envisaged by our Constitution without compromising their essence is a fundamental prerequisite of respect for human rights and a pluralist democratic regime. We believe that political parties, whether they are in the government or in opposition, form the foundation of a democratic system. On the basis of this belief, our government favors a constructive and healthy dialog with the opposition.

Mr Speaker, Honorable Members:

In concluding my remarks:

I would like to express my firm belief that the government program we will implement will promote prosperity and happiness among our people.

I would like to express our gratitude and thanks to our martyrs who contributed to the freedom of the Turkish Cypriot people with their blood and lives and I would like to respectfully salute our Turkish Army veterans and freedom fighters.

On behalf of the Turkish Cypriot people and the TRNC government, I would like to reiterate my feelings of gratitude to the past and present leaders of the Motherland, which always protected us and ensured our livelihood with its support and assistance and which did not spare any sacrifice, the heroic Turkish armed forces and the great Turkish nation, to which we are proudly and indivisibly tied. Please accept my respectful greetings.

9588

CSO: 3554/55

INTERVIEW WITH TRNC AMBASSADOR IN ANKARA REPORTED

Ankara YANKI in Turkish 14-20 Jul 86 pp 28-29

[Text] The TRNC [Turkish Republic of Northern Cyprus] ambassador in Ankara, Peker Turgut, has responded to YANKI's questions:

Question: While the Turkish side consistently responds favorably to the peace initiatives of the UN secretary general, the Greek Cypriot side continues to maintain a negative attitude. Some regard this attitude of the Greek Cypriot side as a calculated political stand aimed at forcing the Turkish side to make concessions. Will it be necessary for the Turks to make concessions. Will it be necessary for the Turks to make concessions in the face of the Greek Cypriots' rejection of the third plan also?

Answer: No, there is definitely no such matter at issue. As a matter of fact, there is no such thing as a third plan. There are just two documents: the document submitted to the [Denktas-Kiprianou] summit on 17 January 1985 and the document submitted on 29 March 1986. If one overlooks matters of detail, there is no essential difference between them. The 29 March 1986 document clarifies certain matters which appeared in consolidated form in the 17 January document. We agreed to both documents, but the Greek Cypriots did not. There is no question of a concession. In both cases, we showed our readiness to participate with goodwill in talks aimed at ensuring that the peace established in Cyprus by Turkey's 1974 intervention is made lasting and that the two communities are able to live in their respective sectors in peace under a federal roof. From this, the clear conclusion the world should draw is that it is the Greek Cypriot side that is not prepared to conclude a true and just peace in Cyprus.

Question: Some claim that the transition from the [Turkish Cypriot] federated state to the Turkish Republic of Northern Cyprus has made implementation of the case for federation difficult. What is your comment?

Answer: A federation can be established only between equal entities. Therefore, the establishment of the TRNC helps rather than hinders the creation of a federation. What we are talking about is a federation to be founded on the political equality of two communities, one in the north and the other in the south. In fact, we said in our declaration of independence that we were keeping the door open to federation (Article 22 of our 15 November

declaration of independence). The proclamation of the "Turkish Republic of Northern Cyprus" does not hinder the two peoples and their respective administrations from forming a new partnership under the roof of a true federation. On the contrary, it can ease the way for efforts to this end by creating the necessary preconditions for a federation. The TRNC, which is determined to make every constructive effort to this end, will not unite with any other state.

Question: There are problems in getting recognized. How does this affect the TRNC as a state?

Answer: It is my personal opinion that there is a more important factor for a state than recognition, and that is to be alive The important thing for a state is to exist, to live. The state is born, it exists, it lives; it may perhaps take time for it to get recognized. Various influences in the world may cause delays in recognition. The important thing is that the TRNC is alive. As long as our republic remains alive, recognition will come.

Question: There is talk that certain Muslim countries will recognize the TRNC. What kind of conditions must be satisfied before this process begins?

Answer: What takes precedence is a proper understanding of the facts of Cyprus by world public opinion. The intransigent side should be clearly identified and correct appraisals made. I would like to say this, that unfortunate statements were made abroad concerning the visit of the Turkish prime minister, the Honorable Mr Ozal [to Cyprus]. The Kiprianou administration is regarded as the sole authority in Cyprus. The truth is that the Greek Cypriot administration lost its legitimacy with the events of 21 December 1963. The Greek Cypriot administration is an unconstitutional and illegitimate administration. It is altogether wrong to accept this administration, which rules over southern Cyprus, as the legitimate Republic of Cyprus established in 1960. There are two administrations on the island today. One is the Greek Cypriot administration and the other is the Turkish Republic of Northern Cyprus. The world must understand this. Events compelled us to close the border as an act against those who do not want to comprehend this fact.

Question: While there may be no recognition at the diplomatic level, you are able to carry on trade relations with other countries, surely?

Answer: Yes, we maintain trade relations with countries from Japan to the United States, from Gulf countries to certain Eastern bloc countries. While in the civil aviation field we are faced with a campaign waged by the Greek Cypriots, vessels under the banner of numerous countries--including EEC countries--are loading and unloading at Gazi Magosa [Famagusta] harbor. The Greek Cypriots, on the other hand, are imprisoning the captains of these vessels when they can lay hands on them.

Question: Will you give an assessment of Prime Minister Ozal's visit to Cyprus?

Answer: The Honorable Mr Ozal's visit to Cyprus was received with great satisfaction. It raised the morale of the Turkish Cypriot people.

Question: It is reported that the package of economic measures has caused certain disagreements in the island.

Answer: The leftwing opposition party claims this. The latest development is that the National Unity Party, the government's major coalition partner, has claimed this unanimously. The democratic leftwing Communal Liberation Party has objections. We have received no detailed information at our embassy so far. However, from what we can understand from the official statements and press releases of the prime minister, the Honorable Mr Dervis Broglu, the coalition has adopted joint decisions in the promulgation of a number of measures.

It is well known that Cyprus has a limited potential. It suffers from a shortage of water. It cannot develop heavy industry. From an economic standpoint, Cyprus relies mainly on trade and tourism. The TRNC had certain measures under study already. With the Honorable Mr Ozal's visit, Turkey's views were also brought out into the open. These developments are being received favorably by business circles. On the other hand, certain trade unions have reacted otherwise. Let me point out that the model that is envisaged for the TRNC is not exactly the same as the one in Turkey. The aim is to make economic activity in Cyprus more free and more attractive.

Question: Will you decide to issue your own currency?

Answer: I do not believe the matter is an issue at present, but let me say that an independent state can issue its own currency at any time. At the moment, what is more important for the TRNC is monetary policy. It uses Turkish currency but its interest rates and credit policies are different from Turkey's. When two countries use the same currency, the money flows to that which is more attractive. The interest rate in Turkey is around 50 percent, whereas it is somewhere in the 20's in Cyprus. This is causing money to flow from there to here. In view of this, our government is contemplating a solution to the problem by bringing its interest rates and credit policies in line with those of Turkey.

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CSO: 3554/2

PAPANDREOU'S ANTI-AMERICAN STANCE SEEN PUZZLING, USELESS

Athens I KATHIMERINI in Greek 11 Nov 86 p 5

/Editorial: "The Anti-Americanism of the Prime Ministerial Couple"/

/Text/ New outbursts of Papandreou anti-Americanism, indeed a double blast coming from both husband and wife so as not to cause any doubts as to the genuineness and unanimity of the fury vented against the trans-Atlantic fatherland....The pulpits from which the prime minister and his wife launched their anti-American thunderbolts were the tribunes of two international meetings that our capital welcomed in recent days: one a congress devoted to the tenth anniversary of the "world proclamation (of Algeria) for the rights and liberation of peoples" at which the prime minister appeared and spoke and the other a meeting of women's movements cadres with the rather vague title "women for an effective summit meeting."

"Anti-Americanism" was also Mr Papandreou's beloved vehicle during the first phase of his political career (up to April 1967) which he undertook under the patriotic shield, and in a second phase up to the October 1981 elections which he undertook denying that it had ever existed and promising that it did not materialize.

This pre-governmental anti-Americanism of Mr Papandreou could be interpreted at that time as a familiar confirmation of a broadly held view of human conduct according to which the beneficiary hates his benefactor, a phenomenon that primarily gets the attention of students of psychology and those interested in the character of man. It is also a well-known fact that there is a close correlation of benefactor and beneficiary between the United States and Mr Papandreou: He fled there, studied, distinguished himself and made his career. He truly acknowledged this by requesting to become a citizen of that country and serving in its forces.

This anti-Americanism on the part of Mr Papandreou could even be considered as a sincere political position that was based on some revealed truth that lit up his eyes only when he was far removed from American euphoria.

However, Mr Papandreou's behavior in the 5 years he has been in office, indeed, supported by an absolute parliamentary majority, excludes both versions of his anti-Americanism, both the psychological and the revealed truth. This is so because in these years of absolute authority he did absolutely nothing against the United States. He did not bother American interests anywhere. He did not abolish

anything existing and did not add anything to what existed. And thus the essence of Mr Papandreou's "anti-Americanism" came to light: it became apparent that it was nothing other than verbal pyrotechnics, facilitating his course toward power. He continued such tactics following his electoral victory in 1981, not, of course, to help him in his course toward power but in order to hold on to it. In this phase the anti-Americanism of Mrs Margarita Papandreou shows up, of course expressed in her mother tongue.....

Is not there anyone around to advise Mr Papandreou that these masked tactics (anti-American, anti-EEC, anti-NATO, anti-West, etc.) no longer yield results? That no mask would suffice to eliminate the smell of corruption that emanates from that mass of scandals? That only the most naive can now be misled?

5671

CSO: 3521/26

BASES ISSUE INVOLVED IN PAPANDREOU'S ELECTORAL MANEUVERING

Athens I KATHIMERINI in Greek 23-24 Nov 86 pp 1,6

/Article by Andreas Zoulas: "Early Elections are more Probable Now"/

/Text/ The way the government is handling the matter of the future of the bases in Greece and the scandals proves that the prime minister appears to be resolved to continue with his policy based on the projection of blatant inaccuracies and of twisting the truth. These two subjects have been the center of attention of the public opinion these days. Aside from their being matters of prime importance, these subjects are connected with political developments, that many believed would be imminent. The subject of the bases already is connected with political circles with the likelihood of early elections at the government's initiative. The scandals directly pose the question of how much longer can the government remain in power in the atmosphere of unreliability that surrounds it. What is impressive in this case is that while the intent of the government has become evident in these two matters, clearly and objectively inferior to the circumstances, the honorable opposition has not exercised a policy and a parliamentary criticism to the degree required by the new, double, mockery deliberately being promoted by the prime minister.

Mr Papandreou's Tactics

It is evident that on the subject of the bases, Mr Papandreou is preparing a new agreement of removal. It appears that the government is preparing the ground to begin a new circle of negotiations that will end in the signing of a new agreement. It is said that Mr Papandreou aims to insert the parliamentary elections between the beginning of the negotiations and the signing of the new agreement. The obvious aim is the recapturing of the leftist voters with the hope of "removal of the bases of death" and keeping the conservative voters with the assurance that Greek American relations will improve.

As to whether the bases will remain or not, no one has any illusions. The government did not start negotiations for a new agreement now. It started the day after it initialed the 1983 agreement.

On 16 Jul 83, KATHIMERINI asked the government the following question, in view of the evident tendencies to exploit the matter: If we suppose that the conditions that the government took into consideration that made it decide to sign the agreement continue to exist when the term of the agreement ends, what steps will the government, whatever it may be, take in 1988.

And the government representative gave the following answer: The agreement (the one signed on 15 Jul 83) will be ratified according to the law. The government of 1988 must maintain the agreement, standardize it, or renegotiate it.

This dialogue was published in KATHIMERINI on 17 Jul 83 together with the rest of the contradictory positions of the government regarding the political intent for the definite removal of the bases after the termination of the 1983 agreement.

The main reason for having the bases stay in Greece was and continues to be the consolidation of the defensive capability of the country against the Turkish threat. This is even more so today, since the financing of armament programs is covered by the recently signed agreement for Greek American cooperation in the defense industry. It also happens that this agreement is for the small period of ten years and that it may be extended for an unrestricted period of time. It includes, however, an indirect provision that allows termination with a 30 day notice, in case the bases leave for any reason.

Given these facts, the "indefiniteness" with which Mr Papandreou wishes to engulf the future of the bases cannot be regarded as a negotiating maneuver in any case. On the contrary, it is regarded as an effort to conduct a new electoral maneuver.

9346

CSO: 3521/28

OPPOSITE SIDES COMMENT ON PASOK-KKE RAPPROCHEMENT

Leftist Forces Unity Advocated

Athens RIZOSPASTIS in Greek 30 Oct 86 p 1

/Passages enclosed in slantlines printed in boldface/

/Text/ //Following the results of the recent municipal elections, the new increased weight in political life that falls to the Left is already becoming noticeable in political developments.//

All political elements acknowledge this. It was also confirmed with the important initiative taken through //the meeting of Kh. Florakis and A. Papandreou// and the effects it had. It is taking on new dimensions because of //yesterday's decision by the KKE Central Committee// to take the initiative to develop and broaden coalescence between the leftist and progressive forces.

The KKE --considering the results of the recent elections as a significant victory of the coalescence and proof of a change in the correlation of forces to the benefit primarily of the coalesced Left-- assumes new and greater responsibilities that fall upon it in post-election conditions.

The central committee discussed and decided on measures //for the further qualitative improvement of the party itself// that the new conditions impose.

It decided to take //a series of initiatives so that the coalescence of leftist and progressive forces might deepen// and intervene effectively in the critical fronts for the fight for raising the standard of living of the workers, the defense of peace and independence. Also, for the promotion of a convincing alternative solution, of an issue from the crisis in the direction of change.

In this same vein, of utmost importance was the //KKE's initiative for a meeting of the KKE Central Committee's secretary general with the prime minister//the day before yesterday. At this meeting //Kharilaos Florakis put forward four issues of immediate priority// for the workers and the political life of the country: a confrontation of the problem of low-salaried workers; a confrontation of the situation created by intervention in the trade union movement; the establishment of the simple proportional electoral system; and the democratization of the state information media.

This initiative by the KKE leader had wide-ranging effects that now confirms the strength of the Left to effectively influence a change in political developments.

Political observers on all sides and also the entire press describe this initiative as the "most important post-electoral event" and a //proof of the new political role by the KKE.

In a meeting yesterday with journalists //the government spokesman// said that during yesterday's meeting there was "a broad exchange of views in a very friendly atmosphere --and consequently no one can talk about a rejection of Florakis' proposals." He even left open (as compared to past statements of his) both the issue of the simple proportional electoral system about which he merely said that it is "premature" to talk about it and also the issue on some economic relief on behalf of low-salaried workers that will be announced later.

//At yesterday's meeting of the PASOK Executive Office,// PASOK pledged to bring back the Khalkis "proposal for dialogue" and lower the level of its anti-KKE attacks.

Finally, a proof of the effects of the KKE initiative is //yesterday's statement by K. Stefanopoulos// who, for his own reasons and from his own perspective, recognized that "the KKE is called on to play a more important role in political matters of the country."

PASOK-KKE 'Moratorium' Predicted

Athens I KATHIMERINI in Greek 9-10 Nov 86 pp 1, 10

/Article by Nikos Nikolaou/

/Text/ In the long run, the government counterattack for regaining popular influence that PASOK lost in the recent municipal elections turned out to be weak, ineffective and above all without inspiration. Mr A. Papandreou, under pressure from party cadres, interpreted the message of the elections one-sidedly and is now trying to return to the climate of political giveaways of 1982. However, since in 1986 the Greek economy no longer has as a backup the strength and surpluses, that K. Karamanlis had secured for it during the 5-year period 1974-1979, but a long-term crisis that has rendered its productivity negative, the government could not do anything this time but distribute crumbs on a temporary basis.

Indeed, tax relief and a 3-month price freeze offer only some marginal short-term benefits to low-salaried workers. On a longer-term basis the salaried workers will lose much more because the economy will fall back even more and because increased unemployment will decrease the overall incomes of the working class.

Moreover, the very fact that the announcement of these changes was made in a precipitate manner to turn public opinion's attention from the scandals gives the overall matter a look of a diversionary attack and consequently renders the government's acts slanderous in principle. The economic scandals which, as it seems, have a basis of fact and consequently will have their aftermath in the press, are having a catalytic effect on public opinion and are speeding up the process of damage to, fatigue and disenchantment of government officials.

A converse trend has undoubtedly begun for PASOK as a "movement" but it would be premature to come to the conclusion that the government is already falling because of the scandals. Precisely, the scandals that, furthermore, are a normal development for an establishment that managed power in a high-handed manner for 5 years, could constitute the reason for getting a greater "hold" on power. A former minister of economy and a high-ranking party official characteristically said, "PASOK is not a party like ND, for example, that could again wait as an opposition party and hope that it would return. If we should become an opposition party control mechanisms would be put into action that would reveal such scandals that would literally frighten the movement to death!"

At any rate, independent observers believe that the inadequacy of the economic measures announced last week should not lead to a depreciation or neglect of a new element that at last is clearly beginning to color government policy. The measures taken but also other manipulations made by the government during that period reveal that the PASOK leadership is reviving the old plan for the restoration of the "progressive forces" front to check the ND flood. It is at last clear that in economic policy, despite the fact that it still is restrictive and desperately seeking stabilization, we have a clear turn toward the "Left" that is being favorably received by the KKE. The latter, of course, is pressuring for even greater openings while it is certain that following Mr Kh. Florakis' return from Moscow the government will find itself faced with proposals for some readjustments in its foreign policy that will not, however, lead to any break with the United States. The Soviet Union, for example, does not have any illusions over Mr A. Papandreou's power to close down the American bases. Besides, even if the bases were closed down the benefit for the Warsaw Pact would be small since the Americans will transfer the same or even larger nuclear might to neighboring Turkey. Consequently, what Moscow's realistic foreign policy could hope for and aim at is a broader support within NATO of Mr Gorbachev's "pacifist" initiatives and that is what is expected primarily from Mr Papandreou.

The revival of the PASOK-KKE idyl, into which both partners, of course, enter with opposing goals, began with the Papandreou-Florakis meeting on 28 October and has already covered a lot of ground. As is well known and as Mr Florakis himself said, at this meeting Mr Florakis brought up matters for the protection of low-salaried workers and renters and asked for the convening of a new representative GSEE /Greek General Confederation of Labor/ congress.

The government quickly answered with last week's measures, i.e. with tax relief, increase in deductions for rent and a 3-month price freeze. The KKE reacted positively and in an announcement it stated that the measures would have positive significance and that "the government, through its announcements, is trying to show that it is taking into account certain basic demands of the popular movement and the Left." In the meantime, the ground has already been prepared both through the joint Gorbachev-Florakis statement in which proper mention was made of the Greek Government's policy over international detente and peace as well as through the recent decision by the KKE Central Committee that criticized sterile anti-PASOK statements made by certain cadres of the Left.

Thus, many PASOK party cadres who, indeed, had hoped that Mr Florakis would return from Moscow much more conciliatory toward the government, are now pressuring for some kind of summit agreement that would revive the moratorium of the first 4 years and would give the government a breather so that, without many strikes and demonstrations, it would confront the critical economic problems of 1987. According to information, negotiations between the two parties in the trade union sector have already progressed a lot and there is already an agreement in principle for the convening of a unifying congress in May that could give a pro-PASOK leadership to the GSEE, while the Athens Labor Center is secured for the KKE. These developments, of course, were inevitable and when they are completed they will constitute a surprise only for ND's trade union sector which dreams of the destruction of PASKE /Panhellenic Militant Workers Trade Union Movement/ with the help of the KKE!

If, however, the revival of the PASOK-KKE idyl in the economic domain serves the short-term interests of Mr Papandreou and the long-term interests of Mr Florakis, it will add nothing to and leave no hope for an improvement in the lot of the workers.

All the measures taken by the government in the last 2 weeks, although not benefiting the workers, have aggravated the atmosphere and have made businessmen even more hesitant and indifferent over any kind of initiative taken in Greece. Specifically, the following facts are to be noted:

1. The solution of the nationalization of the Bank of Central Greece, about which the government asserted that it was from the start its own choice, proved that Mr Papandreou's appeals from time to time for private initiative and his exhortations to make investments were empty of content.

The handling of this matter also shook the credibility of the government to such a point that the message going out to investors, both Greek and foreign, was completely negative in nature. The WALL STREET JOURNAL, the biggest economic newspaper in the world that is read by all businessmen, mentioned that representative of the climate felt abroad was summed up by I KATHIMERINI's view that no one can any longer believe the government as far as economic matters are concerned.

2. The insufficient tax relief being given to low-salaried workers is counterbalanced by a greater tax bite on businessmen, small and average-sized businesses and professionals. Within these oppressive conditions being created by the government's restrictive economic policy some 350-400 billion drachmas more than in 1986 will be taken away in 1987 in the form of taxes from the private sector that is the only productive sector so as to bolster the deficit-ridden public sector. The economic crisis will therefore worsen, unemployment will grow and true wages will drop even more.

3. The price freeze shows that as a government PASOK is returning to administrative methods for handling the economy which it had criticized a year ago when it announced the stabilization program. Mr Papandreou himself, indeed, had admitted that state intervention in the marketplace does more harm than good because it discourages an increase in productivity, undermines the health of companies, prevents every form of investment activity and finally, of course, restrains employment.

The marketplace, however, remains doubtful over the temporary nature of the measures. In February, the situation of the economy will not, of course, be any better while the temptations for an extension of the measure will be greater as far as many ministers are concerned.

KKE Seen Adumbrating Anti-PASOK Activity

Athens I KATHIMERINI in Greek 11 Nov 86 p 5

/Editorial: "The Hour of Truth"/

/Text/ In a communique issued the day before yesterday by its political bureau, the KKE "proposes" to the government the implementation of "relief measures for the workers." We mention them: readjustment of daily wages and salaries. Extension of subsidies to unemployed workers. Readjustment of untaxed incomes. Exemption from taxes of the overall sum paid for rent as far as the "basic" incomes are concerned. Increase in public investments and expenditures for local self-administration, education, health and social insurance.

The KKE Political Bureau is either "being funny" in proposing to the present government the implementation of the above measures or is giving notice to Mr Papandreou about "laying the groundwork" upon which the party intends to develop its "leftist," opposition activity.

The latter seems to be the more likely. No one, even if he were to be a member of the competent government "circle" responsible for economic problems, would be so "naive" as to believe that the economy, to the state that PASOK has brought it, is in a position to improve the real income of the workers and to finance productive investments. Even more so the KKE cannot believe in such possibilities.

So, by putting forth the demands, the KKE is just about notifying the government that from now on it must not count on the support and indulgence of the Left if it does not move forward in making a change in its policy as to the improvement of the real wages of and securing employment for workers. Because the proposed policy for increased allowances is in complete opposition to the "stabilization" policy that the government is insisting upon --namely, a policy for drastically cutting the purchasing power of salaried workers-- the communist party's communique the other day appears to have come about in order to emphasize the commitment by the KKE to exercise a policy incompatible with that of PASOK.

The matter takes on special interest if it is associated with the recent meeting between Mr Florakis and Mr Gorbachev, a meeting that was so much promoted by the PKE and that, as it stressed --not by chance-- in the beginning of the political bureau's "communique" the other day provided the opportunity to demonstrate "the complete identity of views between the two parties." This evidently is a "message" being sent in all directions. It will discourage any hopes, intra-party or Mr Papandreou's, that it would be possible to seek recourse to Moscow to have the KKE's new position --that is clearly and diametrically just the opposite of the government's economic and social policy -- abandoned. "Moscow has already agreed with the position."

With regard to the KKE's decision to undertake accomplishing this, the "successor leftist solution" following PASOK's downfall as a government is altogether its own business. However, Mr Papandreou's loss of the acquiescence of the traditional Left in the handling of economic and social issues --besides issues relating to the country's foreign commitments-- constitutes a development of the greatest concern. The "ideological" ground on which PASOK could count on to get its policy "passed," consequently the social extent for "consent" in implementating this policy, is now greatly restricted.

So, what possibilities now remain for the success of "stabilization?" Except for the arrogance, the anti-democratic insolence and the lack of every kind of sensitivity on the part of "officials," what are the "objective" and "subjective" foundations of this policy? On what forces, on the domestic front and from abroad, can Mr Papandreou count on to check the downward trend which at an ever-increasing rate is leading to the collapse of our national economy?

The government must be called on --and forced-- to provide clear and convincing answers before the Chamber of Deputies to questions that now constitute the central theme of the current political and social life of the country. The well-known "reviews" by the minister of national economy that end up in confirming the correctness of the government opposition's warnings about the inevitable results of "stabilization" and the policy of "socialist transformations" and not in justifying this policy, no longer have any meaning even for the government itself. To the point we have arrived at and as the correlation of party intentions and forces are being shaped and as the workers and the "marketplace" oppose every government measure, only one kind of language must be used: the language of truth!

..... And it is, unfortunately, so foreign to the "linguistic qualities" of Mr Papandreou!

5671

CSO: 3521/26

PAPER DISCUSSES SUPPORT FOR ERITREAN CAUSE IN ETHIOPIA

Rome AVANTI! in Italian 29 Oct 86 p 7

[Article by Franco Prosperi: "A Liberation Front White Paper: 'The Eritrean People Ask for Autonomy'"]

[Text] The story of the past 2 years of political activity relating to the Eritrean question has been compiled by the ELF [Eritrean Liberation Front] into an interesting "white paper" that contains abundant documentation of the widespread political will to have the question of the Eritrean people brought up once again--in real and concrete terms--by various political forces in the UN and in the Italian parliament.

The copious documentation relates to actions, data, and events--serious and dramatic events--concerning the populations of the tormented Horn of Africa.

Among the various documents compiled, special mention is due the collection of case histories involving political asylum and flights abroad on the part of Ethiopian officials and civil servants (the most recent case being the amateur soccer team that requested asylum at the UN High Commissioner's office in Cairo) who do not share the political views of the existing pro-communist regime; refuse to tolerate the massive presence of the Russian and Cuban military advisers, and their interference in Ethiopia's internal affairs; disapprove of the misapplication--for military purposes against national liberation movements--of the international aid that has been supplied; and denounce the forced deportation of more than 500,000 Ethiopians in connection with resettlement of the northern territories.

In this regard, the Ethiopian ambassador to Italy's reply to a denunciatory article by Bernard-Henry Levy in IL MESSAGGERO appears ineffectual and not very convincing. Moreover, we have not seen a redistribution of the labor force in connection with the 1984-94 10-year agricultural plan to combat the famine and to halt the process of desertification. Gilles Herzog himself--in EUROPEO--has called it a crazy plan to construct the new Ethiopian man; authoritative international humanitarian organizations have likewise voiced negative opinions.

In glancing through the abundant and well-organized material in the "white paper," one thing that especially stands out is the numerous inquiries--on the part of members of parliament belonging to various groups--concerning specific

matters of a critical and speculative nature. One disquieting fact emerges which should give pause for thought: namely, the clear intent on the part of some high government circles to evade the questions and to say nothing in response. It is a kind of conspiracy of silence that may suggest the hypothesis of the existence of a powerful lobby that favors the existing Ethiopian regime, fashioning political attitudes and decisions which cannot be interpreted as being in accord with a proper policy of noninterference vis-a-vis a foreign government.

The publication as a whole reflects the desire to reopen and reintroduce--in the most appropriate ways and forums--the case of the Eritrean people, while requesting a parliamentary debate in accordance with the people's inalienable right to self-determination: a legitimate aspiration which for more than 40 years has obliged the Eritreans to fight with stubborn tenacity for their own autonomy.

We are convinced that the time has come--and that the international political conditions are present--for an Italian initiative.

Next January, Italy will become a nonpermanent member--for 2 years--of the UN Security Council: a circumstance of great importance that should be utilized to the maximum.

In a recent statement the current minister of foreign affairs envisaged an Italian initiative for a peace conference in connection with the Iran-Iraq conflict; and in Parliament last June he asserted the necessity for compliance with UN Resolution 435 in order to find a political solution in Namibia for the denial of its independence.

As a former colonial power we have the humanitarian and moral duty--inasmuch as the armed Eritrean separatism manifested itself immediately following our defeat in East Africa--to sponsor an initiative that will permit a political solution of the Eritrean problem, mindful of the fact that relations between Eritrea and Ethiopia are based on the famous Federal Resolution 390A/5, approved by the UN in December 1950 and in whose formulation our country also participated.

The present minister of foreign affairs--who is sensitive to Middle Eastern questions--also cannot fail to demonstrate an interest in this serious problem that is tormenting and bloodying the Horn of Africa.

Most opportune indeed, in this connection, are the words spoken by Omar Burg at the recent meeting between the office of the chairman of the socialist group of the Chamber of Deputies and a delegation from the Eritrean Liberation Front. We do not employ terrorism--he said--to make ourselves known and recognized internationally. Precisely for this reason an impenetrable conspiracy of silence is practiced, so as not to draw attention to the enormous difficulties encountered by the Eritrean political refugees, who are employed largely in the labor black market, a kind of geographical racism.

In this respect, it is worthwhile to emphasize the commitment of the socialist members of parliament--a commitment confirmed at the aforementioned meeting by

Deputy Marte Ferrari--to give unconditional support to the Eritrean cause. It is no accident that Deputy Ferrari underscored the necessity for Parliament finally to hold--after many repeated requests--a comprehensive in-depth debate in which each parliamentary group would adopt well-defined policies and actions.

The target date for the near future--in the event this desire to debate persists and prevails--is the vote on ratification of the agreement between our government and the Ethiopian Government regulating certain relations of a financial nature.

This is an important opportunity that should be used, among other things, to clarify a fundamental problem, to wit: Ethiopia cannot alternate freely and easily between political and strategic aid in the context of the Eastern bloc, on the one hand, and massive economic, financial, and food aid from the West, and in particular from Italy through the FAI [Italian Aid Fund].

This is a problem that must be resolved, in the name of clarity and fairness in international relations.

The Eritrean delegation received similar assurances at the meeting with Deputy Spini, who heads the foreign affairs department of the party leadership. On this occasion, attention was also quite properly called to the commitment, the interest, and the sensitivity vis-a-vis the Eritrean cause that have been demonstrated on several occasions--and in various forums--by the party secretary and prime minister, the honorable Bettino Craxi.

10992

CSO: 3528/24

'BULGARIAN LIBERATION MOVEMENT' REPORTS CAMPS FOR TURKS

Istanbul TERCUMAN in Turkish 12 Jul 86 p 4

[Article by Emin Demirel]

[Text] The BKH (Bulgarian Liberation Movement), which has been active since 1973 and which has branches in America, Australia, and Canada, has made public in books written in various languages and in communiques several incidents that have taken place in Bulgaria.

In an article, "The Situation in the Nation," in the booklet entitled, "Liberation Movements-2," published in Paris in April 1986, it is reported that Bulgaria's repression of minorities is increasing and that the people have been placed in a difficult financial position by increases in the prices of water, electricity, and basic foods.

In the BKH publication, it is asserted that Bulgarians arrested for attempting to escape from Bulgaria, for opposing or failing to follow Communist Party dogma, for listening to foreign radio stations that broadcast in Bulgarian, and for similar political crimes are being sent to camps. The majority of those arrested who are in prison or in camps are youths.

The authors explain that the booklet was written as a result of information secretly leaked to them from Bulgaria and that clashes took place in various cities during the last months of 1985. They report that Plamen Pentchev, who engaged in various incidents of sabotage in and near the capital, Sofia, together with individuals whose identities are unknown and Gheorghui Alinski, who bombed the post office in Gorna Orrahovitza, have been arrested.

The BKH announced that two Bulgarians arrested for various criminal plots were held for questioning and later shot and killed and said, "The struggle of Bulgarians who oppose the communist regime that is crushing the people and who believe in democracy will continue."

Communiques addressed to factory workers in Sofia and smuggled into Bulgaria state that individuals in Bulgaria are trained in order to be used as soon as they begin school life and that only outstanding children are selected by the Communist Party to attend colleges and universities.. It is emphasized that youths "must fight against the administration to ensure their own future."

In a letter sent to the BKH through a person traveling to Poland, a Bulgarian named Cristo reported that he was imprisoned for many years for coming out against the administration and that he lives under exceedingly harsh conditions. He claimed that he is forced to live with his family in one room, without a kitchen or toilet. He asserted that the people are stirred up by the administration, which, in turn, is vigilant and prepared to take action against a populist movement, as it well knows the situation.

Meanwhile, the booklet states that terrorist actions against the Turkish and Bulgarian Muslim minorities intensify with every passing day and that repression of activists in these two communities has increased.

The BKH communique reports that 1,450 [Bulgarian] Turks are being held in concentration camps in Sofia, Stara Zagora, and Pazardjik and asserts that the communist Jivkov administration resembles Hitler's fascist regime. It states:

"The Turkish minority that opposes the operation to assimilate them into the Bulgarian culture is being sent to concentration camps or is simply liquidated. The military prevents religious holidays from being celebrated in cities and towns in which Muslims are in a majority. It, through various forms of repression, prevents the Muslim community from carrying out its religious obligations and from practicing its traditions. It cuts off discussions between minorities by limiting, as much as possible, contact between these towns and cities. The Bulgarian terrorist movement has gone so far as murder of the highest ranking Turks and Bulgarian Muslims.

According to the BKH, Emil Sedegh, Usif Egip, Arelan Kanajoglu, and Amela Abas, who refused to submit to Bulgarian oppression, were arrested in recent months and sent to the Belene camp, and Bekir Celenk was imprisoned in Sofia under mysterious circumstances.

The communique adds that Celenk, whose name was implicated in the attempt on the life of the Pope and who died in prison a while ago, was imprisoned after being denounced by his friend, Alexandre Marinov Ovlianov, and, as a result of various actions, it was desired that Celenk be killed surreptitiously. The Bulgarian Government explained that Celenk was close to death, claimed that it sent Celenk to Turkey, and said, "Celenk died a short while after being transferred to Turkey, taking a number of secrets with him to the grave."

11673
CSO: 3554/162

INTERVIEW WITH HEAD OF EAST TURKESTAN MUSLIMS

Ankara ISLAM in Turkish Jun 86 pp 37-39

[Text] [Box, p 37] "The Russians made my brother dig his own grave and buried him in it, just because he was my brother. I have given everything for this cause."

To be able to give everything for a cause; to give up everything, including one's home, children, land and property; and to make a stand taking one's life in one's own hands. This is not something that everyone can do. That is why there are very few people who can say: "I have given everything for this cause." In the case of such people, their name comes to mind whenever their "cause" is mentioned, and their "cause" is remembered whenever their name is mentioned. The cause and the name become one and the same. Similarly, whenever Turkestan is mentioned, Isa Yusuf Alptekin's name comes to mind.

Isa Yusuf Alptekin was born in the county of Yenihisar, very near to Kasgar, in 1901. When Sultan Satuk Bugra Han, one of the well-known rulers of the Karahan empire, endorsed Islam as his religion in the year 325 in the Muslim calendar--at the urging and with the encouragement of an individual named Abu Nasr Samani--all of his subjects also converted to Islam. In talking about his birthplace, Isa Alptekin says: "Since that time, Islam has been the official religion of the state." Alptekin's father was Kasim Hacı Muhammed Ali Bey, and his mother was Ayse. On the first day he went to school he learned the answers to the questions, "Whose creature are you?" "Whose religious community do you belong to?" "Whose nation do you belong to?" "Whose friend are you?" Later, he learned the "Heft-i Yek" which constitutes one-seventh of the Koran. At that time Eastern Turkestan was nominally under Maoist Chinese rule. In reality, the country was dominated by Leninist Russia--the brother China turned for help whenever it was in trouble--and the Indian merchants who exploited the Muslim people and who benefited from the special privileges granted to them by British imperialism. The black, the red and the grey all worked hand in hand. Meanwhile, the Muslims were the oppressed modern-day slaves and victims who fought scrupulously to preserve their "names." Isa Yusuf Alptekin first realized that he is a slave when he traveled to West Turkestan in 1926 as an advisor to District Head Cin De Li. He learned ideas about political independence. He initiated talks with East Turkestan intellectuals in West Turkestan and West Turkestan nationalists. Those steps were the first steps toward a struggle for emancipation that has been going on for more than 60 years. These steps were and will be followed

with others, but Isa Alptekin can no longer see, and his health is seriously impaired. While trying to find a chair to sit with his hands, Alptekin told our colleague Ferman Karacam, who conducted the interview: "I have said everything that needed to be said. What I am going to tell you now may be a repetition of some of the things I have said before, so please forgive me. I am a man who has dedicated his life to the cause of Turkestan."

[Question] Sir, some people's names are synonymous with certain countries, causes or movements. For example, when Yasir 'Arafat's name is mentioned, Palestine come to mind. Similarly, Isa Yusuf Alptekin's name is synonymous with the people living in Turkestan. Can you tell us about your struggle and your goals?

[Answer] My primary goal is to expel the Chinese from East Turkestan--or to liberate East Turkestan from Chinese domination--and to block Russian plans to invade East Turkestan. This is not only my goal, but that of the Turks of East Turkestan. In the last 25 years, the Chinese invaded East Turkestan four times--every time it was liberated. During each invasion, they repressed and tortured the Muslims of East Turkestan severely; each repression and massacre led to another rebellion. Whenever we rebel and emancipate ourselves from the Chinese, the Russians come and occupy our land.

[Question] What I do not understand, Mr Alptekin, is what are the Russians doing in East Turkestan?

[Answer] Yes, the Russians invaded our East Turkestan several times. Sometimes they did that at the invitation of the Chinese, and sometimes they did it out of their volition. Because if an independent state were formed in East Turkestan, then it would be a source of inspiration for West Turkestan which is under Russian occupation. Consequently, the Russians did not want us to form an independent state and knocked down the states that we set up. As a result, we were invaded. They not only occupied the land, but perpetrated unimaginable atrocities.

[Question] Has there been a change in the Chinese government's attitude toward you in the post-Mao period?

[Answer] Yes. During the time of Mao we had no land of our own; they were all seized. After Mao, their policies became more moderate; they allowed individuals to own small plots of land. These lands are like leased property. No title deeds have been granted. You cannot sell the land, and your children cannot inherit it. You are supposed to farm the land, produce food for yourself and give some of your produce to the government. After Mao, they also allowed us to reopen our mosques. We did not have anything like that under Mao. On the contrary, our mosques were destroyed, burned down and turned into ruins. After Mao, the mosques that our people preserved at the cost of their lives were reopened for worship. Today, although those who pray are not censured, there is no religious instruction. They are saying that "those who receive religious training die." As a result, there is not a single institution offering religious instruction.

[Question] Then who offers prayers? What do the worshippers read for their prayers?

[Answer] Our people have learned many things very well; they have learned by experience that they can survive only by adhering to their religion and faith. Without religion it is not very difficult to turn people into communists. Our people know this very well. It is our religion that has protected us from Sinification, assimilation and oblivion. Our people pray because they know this fact. Adherence to and respect for religion is growing stronger every day. Everyone prays, whether they know how to pray or not.

[Question] What do you expect from this softening of the Chinese government's attitude? Do you rejoice at these developments? Do the people of East Turkestan look with more approval to the Chinese government?

[Answer] No. On the contrary, our people look to China with more hatred. The Chinese government moderated its posture not just for us. We do not see their new attitude as a favor or an act of kindness. There has been a general moderation for all of China. Moreover, their general policy toward us has not changed at all. On the contrary, they have intensified their efforts to settle Chinese in East Turkestan in order to assimilate us. That is their primary objective. On the other hand, for an enslaved nation the primary objective is emancipation, not food or enrichment. We know that as long as we remain enslaved these moderate policies will not serve any purpose.

[Question] Sometimes we hear about migrations from East Turkestan to West Turkestan and vice versa. What is the reason for these migrations? Also, can you give us a comparison between West and East Turkestan?

[Answer] The Chinese administration was relatively good under the Nationalist regime. While all mosques were shut down in West Turkestan, they were open in the East. All personal belongings had been confiscated in West Turkestan; no such thing happened in East Turkestan. Massacres were being perpetrated in West Turkestan, while nothing of that kind had been heard in the East. As a result, at that time our compatriots migrated from West Turkestan to East Turkestan. At that time, West Turkestan used to be known as a living hell. Later, it was seen that what was done in West Turkestan was very minor compared to the repression and atrocities perpetrated in East Turkestan under Mao. During that time, many people migrated from East Turkestan to West Turkestan as well as to neighboring countries and Turkey. In East Turkestan, the Chinese did not build anything and did not educate the people during either the Nationalist or Maoist periods. In West Turkestan, the Russians granted some minor rights. East Turkestan was a prosperous country when it was independent. But now it is in ruins. Sometimes the Chinese invite officials from Turkey to East Turkestan, but they do not show them the ruins.

[Question] Mr Alptekin, I believe that you are not on good terms with ethnic Chinese Muslims. How many of them are there? How influential are they? What is the level of their Islamic awareness?

[Answer] There are 30 to 50 million Muslims who are ethnic Chinese. It is true that we do not get along very well with them, and the reason is that they

are extremely nationalistic. In fact, all the Chinese are extremely nationalistic. They have a phrase they reiterate proudly: "While all the nations of the world cannot do anything against the nationalism of the Jews, the Chinese can assimilate even the Jews." Consequently, these Muslims do not support us from a national standpoint. When we were there, there were about 200,000 Chinese Muslims in East Turkestan. Now their number has reportedly increased to 500,000. In a way, China wants to create a conflict between us and the Chinese Muslims.

[Question] Sir, for the last 30 to 35 years you have been fighting from overseas. Before that you were fighting from inside Turkestan. Why did you not raise the Turkestan issue in international platforms, as was done in the case of Cyprus and Palestine?

[Answer] I defected to the free world 35 years ago. Our goal was to tell about the condition of the East Turkestani people to Turkey, the Islamic world and all of humanity. I visited 25 countries several times. I attended numerous international Islamic conferences. I spoke at hundreds of seminars in Turkey. I organized press conferences. I published a few books. Unfortunately, neither our neighbors nor our coreligionists nor our compatriots nor any segment of humanity helped me. The World Islamic Union in the Holy Mecca backed us as an organization; they continue to help us materially and morally. Nobody other than that organization wanted to hear the voice of the Muslim and Turkish peoples enslaved by the Russians and the Chinese. Given that response, how could we have taken our cause to international forums? We expected and continue to expect the biggest support from Turkey. We deserve that as much as other minority Turks which enjoy Turkey's attention. Turkestan is as important for the Islamic world as Palestine, which is Islam's second holiest land. The Arab world has been very attentive with respect to the Palestine question. In fact, Turkey does not pay a fraction of the attention it pays to the Palestine issue. Let me state here frankly that I am very happy that Turkey is paying attention to our Palestinian brothers.

[Question] Sir, we heard that Turks from East Turkestan have been encountering certain difficulties in Turkey on their pilgrimage trips to Mecca and that Turkish customs authorities have even seized some of their belongings.

[Answer] Yes, you brought up an issue that causes me great anguish. Last year, the belongings of 200 East Turkestani pilgrims were seized. This year, 2,000 pilgrims will reportedly travel through Turkey, but they phoned me and requested that last year's incidents not be repeated. China gives \$1,000 to our pilgrims. A person is supposed to travel to the Holy Mecca via Turkey and then return to East Turkestan also via Turkey with only \$1,000. That money is not enough. China will not allow more money. Our brothers want to see Istanbul; they have a deep sense of nostalgia for Istanbul. The hotels are expensive. Then they have to eat and drink. As a result, they carry some goods with them so that they can sell them.

[Question] Can you give us a few examples of the goods they bring in?

[Answer] They may bring women's blouses, bedspreads or Chinese fabrics. They want to sell them and spend the money in Turkey. Last year, Turkish customs authorities seized such goods brought by our brothers. I tried very hard to have them returned. They returned a small portion of the seized merchandise on condition that they be taken back to East Turkestan. Eastern Turkestanis going on pilgrimage via Pakistan do not encounter such problems. Zia-ul-Haq has issued instructions that their luggage should not even be inspected. Pakistan has provided all types of easements. It does not enforce customs formalities on pilgrims; pilgrims who have to stay in Pakistan do not have food and lodging problems. Turkey must understand this very well: The entire Islamic world, including Turkestan and Turkish minorities, sees Turkey as its leader because of its history, and they all feel very attached to Turkey. Turkey must not depreciate this honor which has been won without any effort. It must not take any postures that might break these ties. Otherwise, it may offend these people who are so attached to it. Even worse, as was experienced with regard to the Cyprus issue, Turkey may need these people.

9588

CS0: 3554/54

PUBLIC INVESTMENTS' INCREASE FORESEEN

Athens 1 KATHIMERINI in Greek 14 Nov 86 p 1

/Text/ The PDE /Public Investment Program/ was increased by 17.3% reaching 364 billion drachmae as compared to 318 billion drachmae for 1986, of which 310.3 billion is expected to be expended.

With the increase of expenditures for public investments, the government appears to have deviated from the program of stabilizing the economy, by directing its expenditures into areas where public opinion is especially sensitive, thereby supporting the view that elections may be held next year.

The distribution of expenditures into areas of investment does not confirm the claim of the government that it is giving priority to direct productive projects, but mainly to projects that seek to make impressions, especially during preelectoral periods, such as the Athens subway project, the Akhelos river diversion project, etc.

The biggest percentage increase (29.1% for 1987) appears in transport, while education is getting a 20% increase. Similar attention is being paid to health and welfare with an 18.5% increase. At the same time, public works, such as water supply and sewage will get an increase of 23.3%.

The deputy minister of National Economy, Mr Pan. Roumeliotis, noted that the 17.3% increase for the PDE is the larger than the projected inflation rate of 10%, thereby characterizing the economic policy as rather expansive instead of stabilizing.

9346

CSO: 3521/28

BRIEFS

TOURIST AND FOREIGN EXCHANGE INCREASE--For the period Jan to Sep 86 foreign exchange derived from tourists reached the sum of 1,461,000,000 dollars as compared to 1,150,000,000 dollars for the same period of 1985. The increase comes to 27%. There was also an increase in dollars (30.3%) in the foreign exchange last September. According to an announcement by the General Secretary of EOT /Greek Tourist Organization/, the number of tourists coming in through certain points of entry had especially increased last October. The rate of arrivals increased by 18.3% at Corfu airport, by 17.9% at Irakleion airport, by 33.6% at Ko airport, by 15.4% at Rhodes airport. Also by 16.7% at the Niki station. The total for all points of entry was 475,882 foreign tourists arriving in Greece as compared to 458,936 tourists in October 1985, an increase of 37%. These points of entry handle 84% of the total tourist traffic. /Text/ /Athens
I KATHIMERINI in Greek 20 Nov 86 p 10/ 9346

CSO: 3521/28

APPEAL FOR EXPORT CREDIT INSURANCE

Istanbul DUNYA (Supplement) in Turkish 29 Sep 86 p 6

[Article based on interview with Bahtiyar Uzunoglu, general secretary of Turkish Union of Insurance and Reassurance Companies and former member of Consultative Assembly]

[Text] "Export credit insurance" has been called for to provide a climate of confidence to exporters in increasing product variety in exports made from Turkey and in finding new markets and new buyers. Authorities point out that it was "inevitable" that Western Europe would turn to credit in their exports to the countries whose oil revenues were reduced by the drop in oil prices and insist that "it will be hard for Turkey to export on an advance-payment basis under these circumstances," which is the best reason for Turkey to begin that practice itself.

Expressing his views on the topic, Bahtiyar Uzunoglu, general secretary of the Turkish Union of Insurance and Reassurance Companies, emphasized that elsewhere in the world, especially in the last 60 years, "export credit insurance" has been handled by the state and said that the purpose of this practice was to counteract the commercial, economic and political losses which sellers often suffer as a result of the services they provide the buyers in international trade. Bahtiyar Uzunoglu summarized as follows the major reasons for the system and his views on Turkey's need to implement it:

"Getting one's goods to buyers abroad is accompanied by many problems involving the exporter's commercial and political risks in general, economic problems and the legal system in the buyer's country. Moreover, all the difficulties encountered in their relations with customers to be able to compete with sellers from foreign countries in international trade, to retain their markets and to find new markets have led exporters to use new methods for risk control. The system known internationally as "credit insurance" was developed to protect exporters in all of these eventualities and to encourage exports to balance foreign payments. A safe mechanism has been created with this system to protect the exporter from the risks that may occur during exportation. As for running the system, states have been doing that for nearly 60 years, because insurance organizations cannot operate outside the limits drawn for them by economic principles and insurance techniques. Thus, the need arises for the state to take on the task of combatting the commercial, economic and, especially, political risks.

"In our country, the balance of foreign payments has had a deficit for many years. This requires the development of our export opportunities and resources and the increase of our foreign exchange inputs procured through

this channel. Export credit insurance is considered necessary for the diversification of Turkey's export products and to create the climate of confidence for the exporter in finding new markets and new buyers. In other words, when it is accepted as a system to answer the above needs, export credit insurance will be used appropriately as a tool and, especially at the beginning, the insurance of commercial, economic, political and other risks on the public account will be appropriate. It is necessary that such an organization be financed by the state in our country, since the intent of export credit insurance would actually be the development of exports rather than company profits, and the need for state assistance is perceived from this standpoint."

In reference to developments on the Middle Eastern market, Uzunoglu mentioned those countries' significant share of Turkey's total exports and said that the drop in oil prices had brought large cuts in their income and this had had a negative effect on Turkey's exports. Noting that "these countries are turning to credit purchases because of their payment difficulties," Uzunoglu said that Turkey usually exports on an advance-payment basis to these countries, that Western Europe is going to put credit exports on the agenda and that this will put Turkey at a competitive disadvantage. He pointed out that Turkey will have to make exports on credit to these countries to remain competitive on the Middle Eastern market and called for implementation of export credit insurance for this purpose. Bahtiyar Uzunoglu pointed out that he had prepared a bill on this in January 1983 while a member of the Consultative Assembly and presented it to the Assembly speaker's office, but without results, and continued:

"We were in contact later with various authorities on this matter, but they said a fund was being formed and the fund could provide better credit support to exporters. However, there is a difference between the preparation of goods by opening credit for the exporter and whether Turkey gets the money for goods that have been exported." Uzunoglu said that he had recently prepared a "report on this for the Export Development Center and this report is now being studied." He listed as follows the principles and proposals on which rests his call for priority consideration of an export credit insurance system:

--The projected export credit insurance organization must be a specialized, independent state body outside the general budget.

--In the organization of the body, we must not slavishly copy any body active in this field in foreign countries, but, by taking advantage of practices in foreign countries, set up one uniquely our own and appropriate to the legal and economic structure of our country.

--Headquarters should not be in Ankara but in Istanbul, where commerce, business and exportation activities are concentrated (as organizations of this type have been established in Hamburg in West Germany, Zurich in Switzerland and Bombay in India).

--The organization must not offer opinions or make recommendations of any kind bearing upon the contract to the insured party as regards how provisions of the contract should be written during the conclusion of an export contract between the exporters and buyers in foreign countries or firms acting in their behalf.

--Especially during the early years in which the system is placed in effect, to make sure that the risk to the export credit insurance organization is spread out, when insuring short-term export transactions, all of the exporter's short-term credit transactions must be insured to make it possible for the exporter (insured party) to pay the lowest possible premium.

--Political risks, commercial risks and economic risks must be insured all together, not individually.

--The exporter (insured party) must be given coverage at a lower rate in the initial practice for commercial and political risks and must be expected to cover a certain amount of the risk himself, thus ensuring his care and attention to recovery of the cost of the goods; however, coverage rates will have to rise the further practice advances.

--The premium rate for insurance must be high at the outset, being reduced in the future depending upon implementation results. Premium rates ought not, on the contrary, to be low at first and raised later.

--Instead of a schedule system for premiums, different premiums must be computed and collected from the insured party according to the conditions and requirements of each export transaction.

--In setting premiums, there must be no distinction according to type of goods exported, that is, the type of goods must not be taken into account in computing the premium. Moreover, how extensive the export credit insurance organization will be and what kinds of risks will be covered must be borne in mind in setting premiums.

--The premium must be computed and set in a single figure to include administrative costs.

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CSO: 3554/49

PROFILE OF TURKISH UNION OF INSURANCE AND REASSURANCE COMPANIES

Istanbul DUNYA (Supplement) in Turkish 29 Sep 86 p 6

[Text] The Turkish Union of Insurance and Reassurance Companies, of which all domestic and foreign insurance and reinsurance companies in Turkey must be a member, has, by nature, important functions as an overriding body in the insurance sector. Its officers stress that the services the union provides will have more positive results as the number of personnel increases. We present below a general description of the Turkish Union of Insurance and Reassurance Companies:

The local and foreign insurance companies active in the Turkish insurance industry have long been a "professional organization." Article 36 of Law No 7397 on "Oversight of Insurance Companies" went into effect on 30 December 1959 and is the most recent statute governing insurance. It envisages the formation of a union of insurance and reinsurance companies in the nature of a "professional organization." The "Turkish Union of Insurance and Reassurance Companies" was formed by a charter prepared by the Ministry of Commerce and which went into effect on 19 June 1975 upon publication in the RESMI GAZETE in accordance with Council of State Resolution No 7/9987, dated 15 May 1975. Though this is true, however, the insurance and reinsurance companies' professional organization formed under this law was not the first one. Such a professional organization existed prior to Law No 7397, but its title and legal nature were different. In fact, Article 5 of Law No 1149 on the Inspection and Oversight of Insurance Companies, which was rescinded by Law No 7397, envisaged this professional organization. It was more in the nature of an association at that time and the name of it was the "Centralized Turkish Insurers Office."

All domestic and foreign insurance and reinsurance companies active in our country must be a member of the union under article 2 of the charter organizing the "Turkish Union of Insurance and Reassurance Companies," now the professional organization and single legal representative of the insurance industry. The union headquarters is in Istanbul and as yet there are no branches.

The purpose of the union according to Law No 7397 and the charter based on it may be summarized as "to adopt and implement the necessary measures for development of the insurance profession, ensuring consultation among members;

to establish relations between insurers and other relevant professional organizations at home and abroad; to set usage, custom and tradition in the insurance profession; to issue publications appropriate to the union's purposes; to collect and present for the benefit of the membership other publications for the same purpose; to sponsor seminars and similar meetings on topics related to the insurance profession; to help keep the Public Administration informed on insurance-related matters."

The union organs are: 1) General Assembly, 2) Board of Directors, 3) Executive Committee and 4) Union Ethics Council. There is also a general secretariat. The General Assembly consists of all member companies having permits to operate in insurance in Turkey. The Board of Directors is composed of 17 member companies, 16 Turkish and 1 foreign, and is elected annually by the general assembly. The Executive Committee consists of 7 members: the chairman of the board of directors, two vice chairmen and 4 members elected by the board of directors. Member companies are represented at the union by their general directors, managers who perform the duties of general director or assistant general directors appointed to act in their behalf. Union expenses are covered by the insurance and reinsurance companies which are registered members of the union by a direct assessment on their premium income. The union at present has a total of 39 members, consisting of 22 domestic insurance companies, 4 domestic reinsurance companies and 13 foreign insurance companies.

The Turkish Union of Insurance and Reassurance Companies, as authorized by its charter, established in 1963 a "Motor Vehicle Bureau" to facilitate travel in foreign countries by the owners and drivers of motorized surface transport vehicles insured against fiscal responsibility by its members; to provide valid insurance certificates to insured parties in foreign countries by means of its members; to make agreements to ensure payment of damages incurred by the bureaus, similar organizations or insurance companies operating in the countries where damages occur; and to conduct transactions involving the direct administration and settlement with motorists insured abroad of damages incurred in Turkey involving motor vehicle owners and drivers having valid insurance certificates issued by local offices. This bureau is currently functioning and provides services to vehicle owners and drivers as set forth in the enabling legislation.

The union's investigation and research committees conduct studies to meet the insurance-related needs of the nation's members and the public sector and present proposals for resolution of insurance problems to the union president. The union has also established jointly with the National Reassurance Co., Inc. and with the help of the Ministry of Commerce the "Turkish Insurance Institute Foundation" to train insurance workers in our country by sponsoring courses and classes; to offer scholarships for research of economic, technical and legal problems involving insurance; to keep up with insurance-related developments in other countries; to collect insurance-related documents and court decisions; to publish a journal; and to publish books. Since 1973, the foundation has been offering a 2-year course for insurance company members or others and presents a certificate upon successful completion.

To encourage the training of qualified personnel for the insurance industry, the union created the Ataturk Scholarship on the 100th anniversary of Ataturk's

birth and each year chooses one person who knows a foreign language and is committed to the Atatürkist principles from among its insurance and reinsurance company members to send abroad for insurance training.

At home, the union is a member of the Economic Research Foundation, the Economic Development Foundation and the International Chamber of Commerce and is a charter member of the Turkish Lloyd's Foundation. In addition, it works in close cooperation with the Turkish Insurance Law Association in activities and research in the field of insurance law. Abroad, the union is a member of the European Insurance Committee (CEA), the International Union of Marine Insurance (IUMI) and the Africa-Asia Insurers and Reassurers Federation (FAIR) [as published]

Working for solutions to the problems confronting our insurance industry constitutes the main occupation of the union today, an area in which it is actively engaged.

8349/12859
CSO: 3554/49

ISLAMIC CONFERENCE ORGANIZATION CENTERS TO BE IN TURKEY

Agreement Reached at ICO Meetings

Istanbul TERCUMAN in Turkish 11 Sep 86 p 6

[Article from the Economics Department: "ICO Meeting Ends"]

[Text] The second meeting of the ICO Standing Committee on Economics and Commercial Cooperation follow-up committee, which had begun at the Sheraton Hotel on Monday, 8 September, has come to an end.

Follow-up committee chairman, Minister of State and Vice-President Kaya Erdem said in a closing speech, "I believe that the resulting alliance of economy and trade will make a big contribution to the prosperity and growth of ICO member nations."

Erdem pointed out that important steps had been taken toward the establishment of an economic and trade alliance among Islamic nations, though only recently begun. He sees that there is much to gain in supporting work on the important joint investment projects and especially in involving all sectors of the economy.

A report prepared at previous sessions chaired by SPO [State Planning Organization] Under Secretary Yusuf Bozkurt Ozal was discussed and unanimously accepted in closed session. At the close of the meeting, delegates from Palestine, Saudi Arabia and Pakistan made statements thanking the Turkish government for a very well prepared conference.

At a news conference held after the close of the meeting, Minister of State and Deputy Prime Minister Kaya Erdem pointed out that after President Kenan Evren became president of the ICO Standing Committee on Economic and Commercial Cooperation, he had pointed economic cooperation among Islamic nations towards a small number of concrete and realistic projects.

As an example of the progress made at the follow-up committee meetings, Erdem pointed out that a finance mechanism was to be set up for medium-term business financing by the Islamic Development Bank. Erdem said, "This mechanism for financing will play a large role in the growth of trade among Islamic nations." The mechanism for medium-term trade financing will be taken up at the 5th Islamic Summit which will be held in Kuwait in January 1987.

Erdem summarized the progress made at the meetings as follows:

-- Project to set up a trade information network among Islamic nations. When this project becomes a reality, it will aid in the development of trade among Islamic nations.

-- Establishment in Turkey of a center for agro-hydrological research and education for Islamic nations as an example of cooperation in the field of agriculture. By making the services of its agricultural research center in Menemen available to the Islamic nations, Turkey has made concrete and important contributions to cooperative activities.

-- Establishment of an "Islamic Nations Federation of Consulting Engineers" in Istanbul to ensure that consulting firms in the Islamic countries receive priority in the preparation of feasibility studies for projects financed by the Islamic Development Bank.

At the news conference, when asked by TERCUMAN if the medium-term foreign trade financing mechanism would revitalize our exports to Islamic countries, down because of reduced oil prices, Erdem answered, "This financing mechanism has the potential to develop trade between Islamic nations. We are taking the necessary measures to revitalize our declining exports to these countries."

SPO Under Secretary Yusuf Bozkurt Ozal said that, in the future, the ICO Economic and Trade Cooperation Standing Committee will become an organization like the OECD.

Interview with Jordanian Delegate

Istanbul DUNYA in Turkish 11 Sep 86 p 9

[Interview with Dr Fayiz Tarawnah, economic adviser to the Jordanian Prime Ministry by Cem Kizilcec]

[Text] Economic Adviser to the Prime Ministry Dr Fayiz Tarawnah, rapporteur and Jordanian delegate to the 3-day conference of the ICO Standing Committee on Economic and Commercial Cooperation which wound up yesterday, said in a statement that they would like to develop the Islamic economic system.

Dr Fayiz gave the following responses to DUNYA's questions:

[Question] Will the subject of joint venture companies be discussed at these meetings?

[Answer] As you know, this subject is actually for the ministers of industry. However, we, the follow-up committee are also studying this subject, and a report prepared on this topic was discussed at the meetings. Member nations of The Islamic Chambers of Commerce encourage bilateral relations among member nations and encourage the formation of joint venture companies by multinational firms in the areas possible. It is my opinion that some steps will be taken in this direction at the meeting of the ministers of industry to take place after the follow-up committee meeting.

[Question] When do you expect results on the medium-term fund for export financing?

[Answer] You know that the necessary agreement has been reached on this. In my opinion, those countries who will participate in the fund will declare themselves at the 5th Islamic Summit in Kuwait. As for Jordan, we follow business matters closely and may decide to participate in the fund after the necessary details of how the fund will work become clear.

[Question] How were the reports on the Regional Export Credit Insurance system and the Clearing Union?

[Answer] They are at the project stage, and the Islamic Development Bank presented the studies it has compiled on them and we discussed them. However, as you know, there is a strong tendency within us not to go in the direction of new organizations. We first want to put these projects in an "Investment Development Agreement" reached earlier among member nations. We can make certain changes in this agreement to include these projects.

Istanbul Called Future Center of Islamic World

Istanbul DUNYA in Turkish 11 Sep 86 pp 1, 9

[Text] News Center--The 3-day meeting of the ICO Standing Committee on Economic and Commercial Cooperation follow-up Committee which began last Monday, ended yesterday. At a news conference held after the meeting, Minister of State and Deputy Prime Minister Kaya Erdem said the meeting took place amid an atmosphere of brotherhood with cooperation the aim. It was noted at the press conference that the goal is for Istanbul to be the world center of Islam, like the United Nations, and that the first steps in this direction will be taken at the next standing committee meeting.

Meanwhile, the goal reportedly is to have the section of the State Planning Organization responsible for standing committee matters (ISEB) [expansion unknown] become an international organization within the Islamic nations framework in the long term, and this was said to have been on the agenda for the first time at the standing committee conference.

At the press conference, Kaya Erdem said that the standing committee had taken concrete steps toward cooperation among Islamic nations. He said, "A portion of the hopes and desires for concrete measures toward cooperation has now come true." Deputy Prime Minister Erdem pointed to the "medium-term trade financing mechanism" set up by the Islamic Development Bank as an example of the successful, (can-do) approaches taken and announced that the bank has finished its preparations to put the project into operation and is ready to invite participation of those nations interested. In addition, Erdem pointed out that the project to set up a Trade Information Network among Islamic nations will help increase trade among them. He also noted that concrete and useful steps had been taken towards agricultural and industrial cooperation.

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PLAN TO COMBINE DEFENSE FIRMS INTO ONE UNIT

Berlin DER TAGESSPIEGEL in German 19 Sep 86 p 3

[Article by Herbert Lucht: "Austria's Choice: To Build More or Fewer Weapons--Vranitzky Aiming for a Single Large Defense Firm"]

[Text] Vienna, September--The plan is as radical as it is new; it makes a lot of sense but it doesn't have a chance: Austria is to have a defense holding corporation. New Minister for Trade, Commerce and Industry Streicher's idea is to combine all the firms which have for years been producing a variety of defense products--with modest sales records--into one coordinated unit which, incorporated as "Wehrtechnik Austria" ["Austria Defense Technology"] would shortly become a "big gun."

This is directed at three state-owned enterprises which have in the past, working independently of each other and therefore not very economically, failed to satisfy either the Bundesheer or the international defense markets and which therefore went heavily into the red: VOEST [United Austrian Iron and Steel Works], Steyr-Daimler-Puch AG, and an ammunition factory in Hirtenberg. In the opinion of the "manager-minister," if they were jointly to subscribe the expensive R&D work and faced their customers as a single bidder, this would have economical as well as politically beneficial effects. If it came to pass, defense work could then be removed from both VOEST and Steyr; the two firms would then be able to work on non-controversial civilian products exclusively.

Streicher's brainchild is supported by both Federal Chancellor Vranitzky and former Finance Minister Androsch; the latter, in his present capacity of bank director, is directly concerned with such important nationalized enterprises as Steyr-Daimler-Puch. The clever triumvirate of technocrats--they have been personal friends for years--knows what it is after: to do the economically appropriate thing, far removed from ingrained socialist dogma (though all three are socialists). The only risk involved is that economic success of this venture would be even more difficult to determine than it has been for the radical surgery involving the VOEST.

The reason is that Kreisky's exaggerated weapons export law forbids any war-generating export to countries which are at each others' throats or which are in the throes of a crisis. This however is the case for almost every country in the Near East or the Third World. Thus the only remaining markets would be NATO and the East bloc, which have their own highly developed defense industries and which have a wide technological lead in anything concerning nuclear, missile or laser items over anything Austria might have to offer. It is therefore no accident that Austrian defense materiel sales in 1984 were down to only about 4 billion schillings and have dropped further since then.

Here then lies one aspect of the matter: the economic one. The only way Austria could enter the defense production race would be by coming up with new development of battlefield weapons; and this appears to be the only sector under consideration. According to rumors, there is a brand-new L 7 VOEST gun, which could be appropriate for certain Soviet tanks. It appears that the Soviet peace enthusiasts will need to upgrade their somewhat obsolescent T-62 series to make it usable (i.e., combat ready). This is called retrofitting.

Just the same, the problems besetting the pragmatist trio Vranitsky-Streicher-Androsch are located in Austria itself. Almost all other ministers of the administration, at least those of the SPÖ, fail to be fascinated by this idea and are more inclined toward a "longer-term, orderly" withdrawal from the defense sector.

Young Socialists, old Marxists and the Church are all equally opposed to weapons production, but none is able to say who in that case should equip the Bundesheer, which is the only reason for the existence of the small defense industry, which can survive only if it has something to export. In other words, we have here a conflict between moral and pacifist, as well as ideological considerations on the one hand and realistic political ones on the other.

As it frequently does, the ÖVP is not coming up with an official, unified position for the moment. It would just as soon see Vranitsky left out in the cold anyway—except that, at the moment, it isn't very cold. The "pinstripe socialist" is making great strides in gaining popular approval, with swing voters' undeniable participation. At the moment he has a satisfying 69 percent approval rating. To all appearances, "Wehrtechnik Austria" will have to wait until after the elections. However, the armament opponents will probably not wait.

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CSO: 3620/30

ARMY SEEN LACKING IN MONEY, MATERIEL

Vienna KURIER in German 29 Sep 86 p 2

[Article by Conrad Seidl: "Our Army Must Live on the Installment Plan!"]

[Text] Though published only 18 months ago, Austria's National Defense Plan is already obsolete. Inasmuch as the budget attempts to cut corners in every possible direction, our army lacks the funds necessary to attain the objectives set for it by all the parties of the parliament.

This was confirmed in a KURIER interview with Austria's top-ranking officer, General Inspector of Armed Forces Othmar Tauschitz: "We will just barely reach the expanded manpower level, 300,000, by the end of the century." However, the target year was to be 1994.

Even worse: The so-called intermediate level--the expansion of the Army to 186,000 personnel, which was to have been reached this year--is only a partial success. While our Army has the soldiers, their clothing and rifles, it does not have the equipment which would spell survival in a national defense emergency.

One reason for this is that during the establishment of the militia regiments of the last few years, the military had procrastinated on activating the fourth companies, which were to be equipped with heavy weapons.

There hadn't been enough money available for this combat capability upgrade in years past (with budget increases averaging 3.1 percent per year)--now it will be lacking more than ever.

Some modernization projects which can no longer be postponed are scheduled just for this coming year: 320 venerable armored personnel carriers urgently need new engines and transmissions; the grenade launchers for the heavy weapons companies must be procured, and the M60-A1 battle tanks must be modified to the M60-A3 version.

It is a billion-schilling program, which General Tauschitz wants to start in 1987 under any circumstances: "Ways and means will be found in the financial plan."

It is true that security policy based on the installment plan, as General Tauschitz so elegantly described it, will be more expensive than immediate payment. The general is looking forward to better times: "A budget reduction in the course of one year is not all that tragic--so long as there are increases again in subsequent years." For the time being, however, he admits openly, "the operational capability of our motorized infantry battalions is greatly reduced."

9273/12851

CSO: 3620/30

NEW LEASE ON LIFE FOR AGING HAWK, SIDEWINDER MISSILES

Hawk Capabilities Upgraded

Frankfurt/Main SOLDAT UND TECHNIK in German Sep 86 pp 514-518

[Article by Lt Col Hartmut Harder: "Preserving the Combat Effectiveness of the Hawk Missile System"]

[Excerpt] Hawk Successor

Realizing that Hawk threatens to become obsolete, the Air Force began its efforts early to force through the armament-policy decisions necessary to begin developing a modern air defense system incorporating the latest technology. Hawk was to be replaced in the first half of the 1990's. At that time a new tactical surface-to-air [SAM] system was in essence to complement the Patriot weapons system at low and very low levels and compensate for its limitations, especially through 360° coverage. Seen in its totality, the required density of ground-based surface-to-air missiles in selected variable air defense clusters was in this way to be established. Such changeable, condensed zones are planned so as to permit even a massive attack by the air adversary to be sufficiently blunted to deny him offensive success.

The new SAM system was also to overcome the limitations which--in part caused by its design--currently cause the Hawk weapons system to be viewed as no longer fully capable of dealing with the threat:

--Limited firepower owing to a limited number of fire channels;

--Necessity for uninterrupted target illumination, with the possibility of target and missile loss in the event the target flies through terrain shadows;

--Reduced prospects for success against highly maneuverable targets and in an ECM environment;

--High spatial concentration of all radars and missile sites with typical radar, infrared and optical configuration;

--High level of personnel and materiel expenditure as a result of equipment multiplicity, variable technology, and the high effort required for operation and maintenance;

--Limited mobility; and therefore

--Reduced survivability.

Despite international cooperation and interesting first steps toward solutions in the radar and missile technology, the planned development of a European tactical SAM system has only recently begun to make progress again. The familiar planning bottlenecks in the military budget in the early 1980's are having a lingering effect. The result is that Hawk must be kept operational longer than planned, and with certainty until the year 2000.

Preserving the Combat Effectiveness of Hawk

In view of the threat of the 1990's, the continued utilization of Hawk requires a new combat effectiveness preservation program, so that its operational effectiveness is suitably preserved relative to the effort which must be expended to keep it in service. Here, as in the past, a mutual configuration should if possible be maintained with the other European Hawk users. This makes a joint program within the NHPLO [NATO Hawk Production and Logistics Organization] necessary. The contents of this program are being discussed since 1980.

The Air Force laid down its ideas in a tactical requirement titled "Combat Effectiveness Preservation of Hawk." In the process, a minimal program of combat effectiveness-preserving measures was defined, so as, on the one hand, to make the utilization and continued service of the weapons system as a supplement to Patriot still meaningful, without, on the other, placing such high demands on the investment possibilities of the Air Force that a successor system would be further delayed as a result.

Technology Upgrading of the Hawk Illumination Radar (HPI-RAM/EMCON)

In 1984 the Hawk user nations joined together in the NHPLO were able to agree in principle on the implementation of a first subprogram of combat effectiveness-preserving measures. It is the "Technology Upgrading of the Hawk Illumination Radar (HPI RAM-EMCON)." In the U.S. Army this measure has already been phased in, the program there being designated PIP II (HPI RAM/EMCON).

This program becomes necessary because the illumination radars in their current technical configuration incorporate a technology mix which ranges from the vacuum tube technology of the 1950's to discrete and later on integrated semiconductor technology. Resulting from this technology mix are a number of shortcomings which impair the reliability, availability and maintainability (RAM) of the equipment. In addition, the equipment must first become stabilized each time it is switched on, and it requires readjustment at regular intervals. For that reason, a rapid on-off switching (e.g. as an emission control measure) has thus far been possible to only a limited extent.

The program "Technology Upgrading of the Illumination Radar Hawk," as a first subprogram within the framework of combat effectiveness-preserving measures, will

- increase the reliability and availability of the illuminator (replacement of 80 percent of trouble-prone modules);

- improve the ECM resistance of the equipment (improved defense against electronic jamming and deception measures);

- incorporate the capability for rapid on-off switching (as a measure to be used as part of emission control); and

- insure continued maintainability.

It is planned to combine the conversion with an emergency repair project which is likewise being carried out by all European Hawk users within the framework of logistic measures for the preservation of the supportability and the extension of the service life (Hawk Support Plan).

The subprogram "Technology of the Illumination Radar Hawk" will begin in 1986 and be completed in 1990.

Technology Upgrading of the Hawk Missile

Together with the "illumination" function, successful target engagement by the missile within the engagement sequence is irreplaceable. For that reason, special significance is attached to the operability and high hit probability of the Hawk missile also in the presence of strong and complex ECM. It can be assumed that the potential adversary will make every effort to find ways to deceive or jam the self-steering capability of the missile. The aggressor is assisted in this endeavor by the rapid development in the electronics and avionics sectors, making it possible to equip aircraft with ever more powerful and complex jamming transmitters as self-screening jammers and as escort screening jammers.

The Hawk user nations joined together in the NHPLO have thus agreed in principle that the next subprogram must be aimed at the technology upgrading of the Hawk missile. In this subprogram, the guidance unit of the missile will be converted and its resistance to ECM further increased.

Already before that happens, logistic measures are required so as to keep the missile operationally ready. In the "Corrective Action Programme (CAP)," spare parts replaced at scheduled intervals and components with reduced electronic or mechanical reliability are replaced. CAP has already begun. In addition to CAP and the subprogram "Technology Upgrading Guided Missile," the solid propellant charge of the rocket engine will need to be replaced.

The sum of these measures, which timewise will run until circa 1994, will result in the Hawk missile's remaining an efficient system component for the remainder of the weapon system's utilization.

Other Improvements (Basic System Hawk)

The combat effectiveness preservation of Hawk cannot terminate with the two subprograms described above, however, since they alone will not produce the desired tactical advantage. Other improvements are necessary, particularly in the following subsectors:

- Improvement of target acquisition, particularly as low and medium altitudes and in a strong ECM environment;
- Improvement of the controllability and the exchange of air situation data within and outside the Hawk battalion;
- Supporting the functions of the engagement sequence with an optronic sensor; and
- Gradually increasing the firepower (e.g. by shortening the reaction time, improving decision-making aids, and through modernized possibilities for displaying the situation).

The U.S. Army is currently testing a program (Product Improvement Program III--PIP III) which to a large extent satisfies the previously identified requirements. In the process, however, a part of the system equipment is dispensed with (pulse acquisition radar--PAR, rangefinding radar--ROR, fire control equipment--BBC, and situation and analysis center--ICC). The remaining equipment is consolidated into a fire platoon consisting of CW [continuous wave] acquisition radar with illuminator and three launchers. A technologically modern fire control center, digital data transmission within the system, and computer-assisted automatic data transmission between the Hawk and Patriot weapons systems, are planned.

The U.S. Marine Corps (USMC) plans a variant of a fire unit having a pulse acquisition radar and two launch squads.

Adoption of the upgrading program PIP III required appropriations, however, which far exceed the total expenditures programmed by the Air Force for the combat effectiveness preservation of Hawk. The other European Hawk user nations have likewise not yet contemplated the adoption of PIP III--probably for the same reason.

For that reason, the Air Force has decided to carry out its own preliminary investigations, utilizing modest development funds, in the upgrading sectors addressed above. In the course of this preliminary phase, which is to be concluded by the end of 1986, individual solutions will have to be selected which are in keeping with the military objective and which are affordable. The investigations cover the following sectors:

- Improving acquisition at low levels;
- Utilizing a high-performance radar at the battalion in a data network with the fire units for improving acquisition, primarily at medium altitudes;

--Utilization of an optronic sensor for the support of all functions of the engagement sequence, capable also of remaining operational under the weather conditions prevailing in the central European area;

--Adaptation of the Hawk operations facility to the data network within the framework of the air defense control concept; and

--Utilizing modern technology for computer support and fire control.

Already now it becomes apparent that results will not be forthcoming in all sub-areas by the end of 1986. More important, however, is that the cost of the solutions which are already beginning to take shape will probably far exceed the given financial limits. A difficult decision-making process, both nationally and internationally, can therefore be expected.

Evolutionary Hawk

In recognition of the circumstance that by doing so it will ensure its own market in the future as well, the developing firm of the Hawk weapons system has proposed an upgrading program which would culminate in a "new" weapons system. This approach, designated "evolutionary Hawk," is to begin with "PIP III" in 1987, encompass several additional intermediate steps, and be completed in circa 2005. All in all, the picture is painted that in this way the expensive development of an entirely new SAM system can be avoided. In addition, the evolutionary continued development of an existing system posed less of a technological risk and was more cost-effective, it was claimed.

As enticing as the though may appear at first glance, reservations with respect to the conclusions drawn may be in order. The step-by-step change of a complex weapons system, going so far as the employment of new technical principles, e.g. the replacement of the semiactive passive homing method by active (terminal) homing, poses the danger that, in a conflict between the operational availability of the system and the conversion time frame, compromises must be made in the technical sector. In addition, there is the danger that in this initial step modules or equipment will be modernized one after the other at short intervals which subsequently will again have to be replaced by new technology. The cost of maintenance, repairs and spare parts stockpiling increases by leaps and bounds. Also familiar from conversion programs of the past is the financial cost which relatively modest programs--as, for example, the technology upgrading of the Hawk missile to the "improved Hawk"--have caused. Not least, the step-by-step conversion of a weapons system demands constant new learning and relearning by the soldiers in the combat units. The experience gained in operation, maintenance and repair of the system becomes worthless at short intervals. Continually new learning phases reduce the combat capability.

It follows from the sum of these arguments that the course of an evolutionary further development of a weapons system whose beginnings go back to the 1950's can encounter technical, functional and financial limits, and, at least with respect to the "operational effectiveness" result, cannot be

assessed as posing fewer risks than a new development conceived as an integrated whole. Nevertheless, this attempt too should continue to be watched and reevaluated when required.

Prospects

The fact that Hawk will remain operational in the Air Force for longer than intended makes it necessary that, as a minimum, combat effectiveness-preserving measures be taken up the mid-1990's. The yardstick for the necessity of these measures continues to be the threat potential of modern air attack weapons. Combat effectiveness-preserving measures for the Hawk are in essence limited by the curtailments in effect with respect to funding. All requirements for combat effectiveness-preserving measures should not blind us to the fact, however, that the threat from the year 2000 on will require a ground-based SAM weapons system which with respect to its engagement possibilities must leave Hawk far behind. In this respect, a farewell to the Hawk weapons system is foreordained if the Air Force wants to effectively perform its mission in the air defense sector in the future as well.

A decision regarding a modern ground-based tactical air defense weapons system is urgently needed. If the replacement of Hawk is further delayed, the need increases for introducing further extensive combat effectiveness-preserving and service life-extending measures for this system. Then, however, it must be assumed that Hawk will cost so much that the latitude for a decision on the procurement of a successor will become more and more limited.

In contrast thereto, a quick decision in favor of a generation change can pave the way for putting only a minimal program of combat effectiveness-preserving measures for Hawk into effect, at limited operational risk, and for making available the funds required for the successor system.

New Role for Sidewinder

Frankfurt/Main SOLDAT UND TECHNIK in German Sep 86 pp 512-513

[Article by Lt Col Karl Rudolf: "Sidewinder Missiles in a New Role in the Air Force"]

[Text] The "Old Role"

The Sidewinder AIM-9 air-to-air missile [AAM] has been operational in many variants as a weapon for fighter and fighter-bomber aircraft of air forces of the Western world for nearly 30 years. It is equipped with a seeker head which can lock on to the infrared [IR] radiation of engine exhaust gases and hot sections of the airframe. It is designed for aerial combat at short ranges. The Air Force procured it for the first time as the AIM-9B variant in the early 1960's. In the AIM-9L version, it has been flown since 1982 with the F-4F and Tornado weapons systems.

Since its introduction, the Sidewinder missile's performance has been adapted to the threat at approximately 5-year intervals. Specifically, this involved the following sectors:

- IR sensitivity of the seeker head sensor
- Maneuverability
- Flight-kinematic range
- Hit accuracy
- Seeker head vectoring by the fire control system of the aircraft.

The variants AIM-9B, AIM-9B FGW/Mod 2/L/Li (Air Force), AIM-9B/J/P/N/L/M (U.S. Air Force), AIM-9B/G/H/L/M (U.S. Navy), illustrate the multiplicity of the development stages.

The development of the AIM-9 production series appeared to have come to an end with the variants AIM-9M and AIM-9Li. However, reports of a new variant (AIM-9R) are again being received from the United States. Sidewinder missiles in the air-to-air role will continue to be operational in many air forces for more than another decade.

However, work on the definition of the successor generation is already in progress within the framework of the ASRAAM (Advanced Short Range Air-to-Missile) development project. Targetdate for introduction: mid-1990's.

Along with efforts to adapt performance to the prevailing threat, the attempt was made again and again to develop variants which were to make possible a widening of the operational spectrum. The development of a radar target seeker head was begun at a very early date already. This development, Sidewinder AIM-9C, was not successful, however, since the miniaturization of the components had not yet reached the level which would have been necessary to pack the required performance into the available space (diameter of the missile = 5 inches). Only very recently has the U.S. Navy reinstituted efforts to develop an antiradar variant for the self-protection of helicopters and combat aircraft.

The most successful widening of the operational spectrum to date was achieved by the U.S. Army. From the Sidewinder AAM it developed the surface-to-air variant MIM-72, which is utilized in the mobile Chaparral SAM system.

The "New Role"--A Dual Utilization

The defense must be able to rely on high firepower in the early stages of a conflict. To achieve this, all resources available for air defense are to be employed in such a way that the attacker is exposed to a high risk. In this connection, the possibility of assigning an additional role to the AIM-9L Sidewinder was examined:

Likewise launched from the ground, the AIM-9L missile is to be used by the Air Force for the pinpoint defense of fixed combat installations. The environment and all essential [key] facilities are known or reconnoitered. Defense and attack can be planned very precisely and on a long-range basis. It is thus possible to limit the operational requirements to conceivable scenarios and familiar terrain. This fact, as well as the requirement to be able to continue to utilize the missile in the air-to-air role, lead to a concept technically different from Chaparral.

Additional Benefits: Simple, Low-Cost, Effective

The implementation of the new role presupposes that the missile satisfies the following conditions:

- Adequate probability of success within the proposed operational limits
- Possibility of passive employment
- Suitability for dual utilization, i.e. air-to-air and surface-to-air
- Employment with simple equipment.

Missile Modification

Within the framework of a 24-month preliminary phase, the firm Bodenseewerk Geraetetechnik (general contractor for the European AIM-9L replication program) has determined the performance data for the AIM-9L in the surface-to-air operating role. Five missile launches from a demonstration model were carried out for this purpose. As a result of the preliminary phase, plans were drawn up for the development of simple supplementary modules for the improvement of performance in the surface-to-air operating mode.

The preparation of the missile for the surface-to-air role can be done in the field in less than 5 minutes. With the added modules, the missile can be used in the air-to-air role.

The AIM-9L Sidewinder Ground Launcher

In the very short timespan of 9 months, the firm KUKA Wehrtechnik in Augsburg, under the system supervision of the Federal Office for Military Technology and Procurement, carried out the development of the ground launcher and delivered three test models. Essential preconditions for the development were a fixed-price development budget and a fixed unit price for the future series-produced equipment. Practically speaking, the development was thus subjected to the severe conditions of the design-to-cost process (with success required).

The structural makeup of the ground launcher was purposely kept simple, without in the process impeding subsequent improvement, however. The essential system components are:

--Missile launcher

--Control unit

--Transport trailer.

Operational Procedure

The missile launcher is controlled from a remote control unit. The missile launcher is equipped with a TV camera. The operator, on the basis of the report of an assigned airspace observer, or on orders received from a central air defense command post, must control the missile launcher in such a way that the reported target appears within the field of view of the camera and he can recognize the target on the TV monitor of the control unit. By means of the TV picture, he makes a fine adjustment of the orientation until the missile achieves target lock-on, at which point he can launch the missile.

Technical and operational tests are being carried out from November 1985 to September 1986. Launch tests with the launcher have meanwhile been successfully completed. Five hits were scored by five missiles fired. The issuance of the deployment authorization is planned for October 1986.

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MOUNTAIN INFANTRY BATTALION FILLS AIR-MOBILE, ANTITANK ROLES

Herford KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGSTRUPPEN in German Jul/Aug 86 pp 148-150

[Article by Robert Gruener: "The Mountain Infantry Battalion--Versatile Organization of Combat Forces"]

[Text] Strong in Infantry and Antitank Defense

The mountain infantry battalion has the highest concentration of infantrymen of any organization in the army. Each of its three mountain infantry companies consists of four mountain infantry platoons, and the headquarters and support company has an additional alpine infantry platoon. This gives the battalion 13 platoons of infantry, four more than a motorized infantry battalion D, for example. A comparison of the dismounted combatants of a mountain infantry battalion and an armored infantry battalion yields a ratio of circa 3:1.

However, the mountain infantry battalion is also strong in defense against tanks. Each of its mountain infantry companies has five MILAN antitank weapons, and the heavy mountain infantry company has an additional six, combined into an antitank platoon. In addition, numerous light panzerfausts as well as six field guns are available for engaging hardened and semi-hardened targets.

The battalion's strength in infantry and antitank defenses are good preconditions for the performance of its dual mission, that is, combat both in and outside the mountains.

Operations Outside the Mountains

General

Outside the mountains, the mountain infantry battalion engages in combat like a motorized infantry battalion. Here it must rely on terrain that is predominantly rich in cover and obstacles. Terrain structured in small areas, which favors combat at close and closest ranges, is particularly attractive to it. It generally achieves its highest combat effectiveness in wooded and heavily built-up terrain.

In terrain such as this, the battalion can also hold its own when mechanized forces dominate the battle to the "left and right." The battalion then frequently stands as a cornerstone "like a tower in the fluctuating battle," lends support to friendly forces and splits up the enemy.

Whenever the terrain and visibility especially favor the combat tactics of the mountain infantry, the battalion is also capable of attacking short-range targets or during delaying actions of defending positions for limited periods.

During combat, the mountain infantry battalion must depend on support at all times. Aside from support by the engineers, a reinforcement by elements of armored combat troops can rarely be done without. Only these can be so rapidly moved under fire as to enable the battalion commander to maintain his freedom of action.

A Combat-Capable "Motorized Infantry Battalion"

Because of its strength in infantry and antitank defenses, more can be demanded of the mountain infantry battalion than of a motorized infantry battalion.

Thus the battalion is capable, for example, of releasing forces sooner and in greater numbers for reconnaissance, scouting and security, for combat from forward positions, from position in depth, or for harassment operations. It is easier for the battalion to form strong reserves.

The numerous MILAN antitank weapons enable the mountain infantry to resist even an enemy strong in armor temporarily without augmentation by additional antitank forces. However, if the battalion must fight such an enemy to a finish, a reinforcement by tanks is an absolute necessity, since, in the long run, defense against strong armored forces can only be successful through the interaction of barriers, antitank guided missiles, and tank guns.

In an area or strip of normal size, the mountain infantry battalion is better able to perform a mission, engage stronger enemy forces, than a motorized infantry battalion. However, the battalion can also be assigned a larger area or wider strip.

Airborne Operations

Accustomed to working with helicopters from mountain warfare, the mountain infantry battalion is also particularly well suited for airborne operations. For this purpose, individual elements, units, or the entire air echelon can be employed.

For smaller, especially difficult operations, use can be made of the alpine infantry platoon. Its soldiers are accustomed to being dropped from hovering flight with the aid of winds and also reboarding the helicopter, and to being lowered from the helicopter by rope.

Operations Under Difficult Conditions

The specialized equipment and training for combat under the extreme terrain and weather conditions of alpine regions also qualify the mountain infantry battalion for combat in other difficult terrains and under special conditions. Thus, in cold regions, for example, the battalions with all its components is capable of fighting from a ski-mobile posture. It is capable of negotiating steep coasts or narrow and deep mountain cuts. But in many other situations as well, the mountain infantrymen know how to use their "climbing gear" to good advantage.

Tactical Influences of Mountain Warfare

Even though the mountain infantry battalion fights outside the mountains in accordance with the operational doctrine and principles of the motorized infantry, tactical elements and procedures of mountain warfare will always "surface" at all levels. Accordingly, the desire to outflank the enemy whenever possible, to be above him in elevation, to strike at his flank or from the rear, will clearly assert himself. In addition, the battalion commander will allow his company commanders, and the company commander his platoon leaders, more freedom of action than is otherwise customary. Thus, engagement actions of the mountain infantry battalion outside the mountains will frequently be enlivened by "small tactical" operations, which will often confuse and disconcert the enemy.

Operations in the Mountains

General

Also in the mountains, the mountain infantry battalion fights in accordance with the operational doctrine and principles of motorized infantry forces. Above and beyond those, however, there are additional or diverging principles to be observed. (Army Service Regulation 340/100 Classified Material/For Official Use Only "Operations of Mountain Infantry Battalions and Mountain Infantry Companies in Mountainous Terrain" is currently in preparation.)

In highly variegated mountainous terrain, a reinforced mountain infantry battalion often fights as an independent combat formation and without depending on adjacent units. But even when it is bordered by adjacent units, this border is frequently situated in terrain which is guarded or secured only by weak forces. The battalion then protects its flanks by relying on terrain that is difficult to traverse or must be scaled.

But individual mountain infantry companies and platoons as well must often fight largely by themselves. Sometimes a reinforced mountain infantry company fights like a combat formation in accordance with the principle of combined arms combat.

For that reason, decisions in the mountains are often made at company and platoon levels. Units and elements, sometimes also small combat detachments, must cope with tasks there which in less difficult terrain can only be levied on substantially stronger forces.

Combat in the mountains thus differs very considerably from that on level terrain in that the degree of freedom of action and responsibility is generally assigned to commanders on the next lower level.

Support

In the mountains, as well, the mountain infantry battalion must rely on the support of elements of other service branches.

Engineers support the battalion particularly through the construction of barriers consisting of antipersonnel mines, through demolition, and through the employment of engineer equipment, armored vehicle-launched bridges, footbridge and aerial tramway equipment. Barrier antitank minefields do not play as important a role as in other terrain. In the mountains, artillery support is always of special significance, since their fire can be quickly shifted to the changing focal points of the battle. The shifting of troops, on the other hand, can take hours if helicopters are not available.

Support by army aviation is usually an absolute necessity in the mountains. Because of the frequently and rapidly changing situation, and particularly the changing weather conditions, it is necessary for the battalion to have helicopters quickly available when the need arises. It is usually advisable to have individual liaison helicopters or light transport helicopters available nearby. If, on the other hand, aircraft must first be called in from a distant alert fight, what was originally a favorable situation has often changed by the time they arrive. Here reflections would be in order whether a temporary assignment of individual liaison or light transport helicopters to the mountain infantry brigade or a combat formation should not be prescribed in the service regulations for mountain warfare.

Helicopters support the mountain infantry with combat reconnaissance, security and surveillance, transports of all kinds and in mountain rescue operations, with the maintenance and establishment of links, with command and observation from the air, and in an emergency with antitank defense.

The mountain infantry must manage without the support of attack helicopters, however. The absence of a weapons system as mobile and versatile as this leads to disadvantages for mountain warfare which can only with difficulty be compensated for.

These disadvantages can be lessened if air defense forces are assigned to the battalion, so that the enemy cannot make excessive use of his superior helicopter inventory.

The battalion does, to be sure, have six field guns assigned which are suitable for defense against armored attack helicopters, but generally it can employ these only in areas in which the towing vehicle can still operate. Since the range of these weapons is also limited, large areas of the terrain remain free of effective air defense, which the enemy can utilize almost without risk.

Despite its field gun platoon, therefore, the battalion continues to rely on the support of mobile, accurate and long-range air defense weapons. The strength and organization of the air defense unit and the assignment of the man-portable anti-aircraft missile teams to the armored air defense gun batteries leave doubt, however, if a regular support by the air defense unit can be counted on.

Because of the shortage of armored transport vehicles, the assignment of armored infantry is usually advantageous. In the mountains, as well, individual elements frequently face tasks which can be better carried out with armored protection and through alternating mounted and dismounted combat.

The mountain infantry battalion is a formation of combat forces that can be used in many ways. It can be employed both in and outside the mountains. It has considerable firepower at its disposal, which could be still better employed with a minor change in its equipment.

So as to be able to shift forces quickly also while under fire, it would be advantageous if at least one mountain infantry company were equipped with armored transport vehicles, armed with automatic machine cannons. With these, one could also oppose enemy troops who are infiltrating, air-landing, or charging down a mountain slope with superior firepower and mobility. This is something that the mountain infantry battalion structured in accordance with Army Structure 3 was still able to do by itself, since it had available to it an armored personnel carrier platoon with ten armored personnel carriers.

For the better protection of mountain infantrymen against attacks from the air, especially by attack helicopters, the integration of man-portable anti-aircraft teams into the field gun platoon of the heavy mountain infantry company would bring advantages that are almost impossible to turn down. The battalion would then be far less dependent on the support of the air defense unit, which anyway must employ its forces most of the time exclusively for the protection of the armored combat troops, of firing areas, and of important installations. In this way, the battalion could also forego makeshift solutions, as for example to plan the use of MILAN antitank weapons also against helicopters--naturally with all attendant limitations.

With a "touch-up" such as this, the battalion would, until the 1990's, be capable of performing its dual mission satisfactorily.

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RESERVISTS EXPAND ACTIVITIES OUTSIDE MOBILIZATION

Reservist Organization Characterized

Bonn LOYAL in German Aug 86 pp 6, 7

[Article by Helmuth Moehring, president of reservist organization: "The Undivided Reservist"; first paragraph is LOYAL introduction]

[Text] The number of draftees will decline rapidly during the next few years. The impact of "the pill" is responsible for this. Everybody will be competing for the work availability of the reservist. The Bundeswehr needs the "citizen in uniform" just as much as does the economy. Nevertheless, the reservist cannot be subdivided. At a certain time he becomes a soldier, and then again a jobholder. And while he serves as a reservist, he must know the objectives of the Reservists Association of the Bundeswehr. What he can expect of his association, and who represents his interests. The following article by association president Helmuth Moehring describes the duties and the mission of the association.

Our security policy objectives are described as follows: "It is the objective of the association and its members to promote the defense worthiness of the FRG, to contribute to strengthening the citizens' will for national defense and to the Bundeswehr's defense capability. This contribution is dedicated to securing the peace and the maintenance of independence. "Our mission can be further defined as stated in the Reservist Concept of 1980: "Outside the Bundeswehr, the Reservists Association of the Bundeswehr (VdRBw) is the primary carrier of responsibility for reservist activities."

However, one of the problems facing the maintenance of the defense capability of our armed forces after 1988, despite continuation of obligatory military service, is a rapid decline in manpower availability:

--of draftees,

--of extended duty and career soldiers (because initial reenlistments expire automatically),

--of reservists in mobilization assignments (because age groups relieve one another),

- of jobholders in the civilian economy,
- an increase in the number of conscientious objectors,
- need for police recruits in the Laender,
- requirements for federal border guards and civil defense,
- needs of the civilian economy in converting to a national emergency situation (ensuring an adequate work force).

The immediate impacts arising from these constraints are the following:

- The quantitative problem "deficit of draftees" also becomes a qualitative problem: "deficit of instructors."
- The quantitative requirement for instructors turns into a problem of losses to the middle-class economy at the journeymen and foreman levels.
- The training of reserve instructors by active duty troops on weekends leads to additional duty time in the Bundeswehr rather than to diminish it.
- The increased number of defense trainees (from 120,000 to 400,000) leads to shortages in civilian enterprises and problems in the payment of their guaranteed salaries.
- Possible unrest in the plants has an impact on the mood of family members.
- A growing number of requests for exemption from military duty flood the employer, chambers of industry and commerce and labor offices.
- The number of such applications from reservists is therefore likely to increase.

The question arises: What should the general policy be?

Controversy must be avoided (orders to report for duty, refusal, complaint to administrative tribunal, etc). Legal action will in no way solve the problems of the 1990's. Only cooperation and coordination among the various interested parties will produce a tolerable working climate. The "interested parties" (economy and Bundeswehr) sit around a table and ask: "Who is entitled to service by the draftee/reservist, when and for how long?" Austria and Switzerland are excellent models for this. There, personnel-intensive enterprises plan their costs in coordination with their armed forces and militias for a "reservist disappearance" of 2 percent. This avoids any unforeseen shortages.

The task for us in the FRG is therefore the following: All requisite preparatory discussions must start today. The time clock between now and 1988 is running and unstoppable.

What Has Been and Will Be VdRBw's Contribution?

Its mission, handed down by the parliament and the administration provides for this: Regardless of membership in the association, it must register, service, motivate, inform and train all reservists who wish to cooperate on a voluntary basis. What does this mean specifically?

1. The Bundeswehr needs reservists who are suitable for defense activity. For this, they require good basic and advanced training.

This is where our association performs its "military support" function. It furnishes the Bundeswehr with a list of able and willing reservists; the Bundeswehr then provides:

--military basic training;

--instructor training (from basic courses to command study groups);

--training in security services and installation protection (from private to company commander); wartime host nation support and other infantry tasks for the relief of the active duty force (mainly the field army).

2. Only he is capable of engaging in defense activity who is also willing to do so. And only he is willing who is motivated for this by his own convictions, and who stays that way!

3. Only he has the proper motivation

--who doesn't suffer any disadvantages from his reservist status;

--who is not discriminated against in such matters as pension credit, salary, medical care and different military uniforms and equipment;

--who experiences military exercises which are so well planned that temporary absence from his job appears worthwhile;

--who realizes that he has the support of his boss and his family;

--who, as a reservist, feels that in case of a national emergency his family is well protected by civil defense;

--who feels so well cared for by his reservists' association that he has the feeling of being among friends; and

--who finds understanding in the association in security policy questions, despite a variety of party-policy backgrounds, because there is strict neutrality as to the individual's party affiliation.

4. The BdRBw must therefore take care of the reservist from the cradle to the grave. This is our mission and our reason for existence, which must either be newly affirmed or reinforced to the point that the dues-paying member considers this association to be his sole peer group.

The duties of supporting the members of the association cannot and must not be shared with anybody else, since personal responsibility is indivisible!

Comradeship has proven itself under the most adverse circumstances, when one soldier had to protect another with his own life.

Peacetime provides the reservists with ample opportunity to practice and reinforce this comradeship through open discussion and trusting cooperation.

Indivisible all-around support for all members is the highest duty of the association, to include their families. We call it humanitarian care and social assistance. The reservist is motivated only when relieved of all social problems! To this end we use

--our own association resources for internal counseling and support;

--cooperative contributions from the Association of War Victims and Military Disabled, Impaired and Social Pensioners of Germany (VdK), and Reichsbund and the Bundeswehr Social Agency;

--resources of the defense ministry (Depts S and VR) where it concerns our mission.

This support function of our association is based on the decision by its national leadership conference of 25 January 1986 (Guidelines for Implementing Association Activities).

"The VdRBw has been charged with special support functions as an association for the common interest, which also has the duty of representing the societal and social policy interests of all reservists--not only those of its members --and to submit appropriate demands in these matters to the legislative and administrative authorities." Also: "Support to reservists extends into the social and career areas." The presidium and all others filling responsible positions within the association will therefore observe and implement this decision, effective immediately.

Legal support is concerned mainly with problems bearing on reservist status.

In the civilian area, the association will back up the reservist in his place of employment in dealings with his employer in an unbureaucratic manner. It provides information through special brochures.

Reserve Corps officials or expert colleagues should participate in the granting of necessary exemptions from military service. Beyond that, they should provide assistance to the active force and the defense replacement authorities with their intimate knowledge of reservists' wishes and preferences and participate in finding qualified replacements.

5. A good and steady flow of information is an important prerequisite for maintaining the reservists' voluntary participation. Tomorrow too, the citizen will, when things get tough, agree to participate in defense activities

if he is fully aware of its necessity. This agreement is the most important prerequisite for securing the continued existence of our country! Therein lies the increasing significance of the VdRBw's function as a middleman between the civilian society and the armed forces--they are informed.

In 1985 we were able to reach 1.2 million citizens in almost 40,000 events. This however is still insufficient for solving the problems of the 1990's.

Together We Can Accomplish a Lot!

We have excellent relationships with other military organizations. Cooperative agreements are witness to this. Things should stay that way. We have common bonds of friendship and support jointly and in mostly identical language a security policy designed to settle future conflicts without resorting to violence. A "joint committee" in the German Bundeswehr Association has been useful for clarifying such questions. The fact that reservists are increasingly joining these associations is based not only on biological, but also on traditional reasons. This has no impact on our good relationship.

Occasional value judgments to the effect that there are "independent associations," while ours is "an agent of special interests," should be avoided. They only lead to irritation. On the one hand, we have consciously sought this affiliation to make an additional contribution to defense. On the other hand, as an association of members, we are entirely free to speak our minds. Which we will always do when it is necessary.

We believe it to be most useful for any association to represent its members, also its reservists, in total independence, without interfering in the jurisdiction of another association. Thoughts of recruiting members into other associations should not arise in the future. This is not common practice among friends anyway.

With almost 6 million reservists discharged by the Bundeswehr to date, no single association involved has been given any limits to its support functions. A lot needs to be done in that area.

However, the VdRBw has been charged as the sole authority to motivate and support all reservists--if they so desire. The defense ministry's "control station" decree provides for clear lines of responsibility in these matters.

The purpose of the VdRBw's "Coordinating Committee," under the chairmanship of the president, is to reach mutual agreement on these issues. Any other association may join it without obligation, if they so desire for the purpose of conducting fair discussions resulting in the best possible representation of reservists who may be members of any organization. The unfortunate notion that there is some sort of "competition," which did not originate in the VdRBw, should be quickly put aside. There is no justification for it. We are partners in a common cause.

[Box, p 6]

Demands Made by the Association

Reserve military personnel will in the future be indispensable for the defense mission of the Bundeswehr. They must be prepared to participate frequently in military exercises. The Association therefore demands that there be no disadvantages accruing to reserve military personnel. Their social and financial security during the exercises must be equal to those in their civilian occupation. Their salary paid by the Bundeswehr must be equal to that earned in their civilian job. Nor must there be any impairment of their pension rights or medical care entitlements as a result of their military participation.

During service in the Bundeswehr, reserve soldiers are the equals of active duty military personnel in every respect. There must be no differences in clothing or equipment. Defense exercises must be sufficiently well organized to justify absence from civilian employment.

Voluntary Training Efforts Supported

Herford KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGSTRUPPEN in German Jul/Aug 86 pp 139-141

[Article by Col Hans Ermlich, retired: "Reserve Activity Without Mobilization Orders"; first paragraph is source introduction]

[Excerpt] After many years' service as an instructor of Territorial Army commanders, Colonel Hans Ermlich was Inspector for Bundeswehr Reservists in the Armed Forces Office until his retirement in March 1986. He has provided us with the following summary of his experience.

Military Development

From the standpoint of the armed forces, the military development of reservists is the main feature of reserve activities. The interests of the armed forces define the framework and service regulations are applicable.

The "Training Curriculum for Military Development" provides the training objectives:

Subject 1:

Training as a security soldier, based on capabilities acquired in basic training--Retain currency through exercises

Subject 2:

Training for specific mobilization assignments with security troops

Subject 3:

Continued training leading to squad leader in facilities protection

Subject 4:

Further training leading to platoon leader in area and facilities protection

Subject 5:

Continued training of officers above platoon level.

Training is conducted in official meetings. A word of explanation here. According to our laws, only active duty soldiers may wear the uniform. Our reservists, whether or not they have mobilization assignments, are outside the military jurisdiction. To be, or to become, a soldier requires a legal document. A special provision was made for reservist activities. It makes it possible to call a reservist to active duty for a specific purpose and for a pre-determined period--usually 3 days, occasionally 5--and thus to give him active duty status. Battalion commanders and above are authorized to issue such active duty orders.

The purposes of military development are the following:

--to help reservists with mobilization assignments to maintain their level of training between mobilization exercises and, wherever possible, to upgrade it;

--to prepare available reservists in such a way that, when mobilized, they need only learn the specifics of their assignment; they should already be proficient in "basic military skills;"

--to provide mobilization assignments to available reservists;

--to be able to use reservists in the training of other reservists.

Herewith a supplement to the foregoing listing. This applies particularly to the following training areas:

--NBC defense training; objective: familiarity with NBC defense activities of all services;

--medical service; objective: medical technician;

--communications training; objective: radio operator;

--engineer training; objective: familiarity with engineer activities of all services.

Training outlines have been worked out for two other specialties: antitank defense and sharpshooter. Trainees in these specialties must agree to

participate in the entire program; in the case of sharpshooter training, 66 training hours apart from mobilization exercises at which they receive additional training.

Military development has proven successful when great demands were made on the reservists. Challenging assignments stimulate voluntary participation. Skilled instruction technique is a prerequisite. The chief of staff sends a personal letter to every separating career or extended-duty soldier, asking him to use his service knowledge and experience in reserve activities. While serving as inspector, I was able to determine the effectiveness of this measure. Military development at specific rank levels takes place in the following forms:

- working groups for reserve officers. Specialized groups are already available for further training in the areas of equipment, logistics, military medicine;

- working groups for reserve noncommissioned officers;

- study groups for training in specific subjects.

Apart from the above training areas, weapons firing, marches and military sports competitions are very popular. "Professional teams" have been formed in every military region; they hardly miss any opportunities to win trophies in national and international competitions.

Courses at military schools and at the Bundeswehr Sport Academy are open to interested reservists. So much interest has been shown that in 1986 additional courses have to be offered to accommodate the waiting lists.

Implemented at specific rank levels, military development supplements training in military exercises.

Costs

To emphasize the significance of reserve activities which are conducted voluntarily in addition to the obligatory services of draftees, I should like to make a few remarks concerning financial support from the defense budget.

Reserve activities do not come for free.

Costs amount to something like DM 100 million annually. Apart from expenditures for travel, subsistence and housing, this figure contains others, e.g., furnishing weapons, ammunition, equipment, use of training facilities and personnel salaries for 300 headquarters workers of the VdRBw.

We believe that the expenditures for reserve activities are justified. There is an improvement in defense capability and, of particular importance for an army of draftees, this has a beneficial effect upon defense readiness.

Summary and Conclusion

Reserve activities result from the cooperation of armed forces, reservists' associations, active duty soldiers and reservists. The contact between active military personnel and reservists, which is necessary in an army of draftees, is not restricted to obligatory exercise; it generates respect for dedication and performance capability which has a beneficial impact upon the internal structure.

Reserve activity, adapted to changing requirements, provides preparation for growth in the armed forces. Should the Bundeswehr be forced to rely increasingly upon reservists to maintain its combat effectiveness, it has in them a resource rich in experience gained from reserve activity.

Reserve activity is a national contribution for improving defense capability within the Alliance.

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OVERVIEW OF DEFENSE INDUSTRY, MODERNIZATION STATUS

Defense Fund Contributions

Ankara YANKI in Turkish 2-8 Jun 86 pp 18-20

[Text] Bees and honey... A good way to describe the representatives of major arms producing firms and their attitudes towards Turkey these days. They have been heading for Turkey with attache cases in hand. Then there are the delegations led by defense ministers. The visit by the French defense minister transformed, almost overnight, the tone of the relationship between the two countries which was not all that good for some time. It was as if the 'defense industry' were a magical magnetic field, and the bees were swarming to the hive.

The vehicles and materiel used by the Turkish armed forces are mostly American-made. Surpluses left over from World War II and the Korean War have constituted the main source of supplies for the Turkish army. But in the wake of the Soviet invasion of Afghanistan and the Khomeini revolution in Iran Americans started paying more attention to the need for modernization. The reintensification of American interest in Turkey coincided with the post-12 Sep period during which the military was in power. In others words, those who knew most about the needs of the Turkish armed forces had a strong say in the country's administration. Modernization of our armed forces had been a longstanding issue with much discussion but no lasting solutions. Following Turco-American discussions held immediately after 12 Sep, a 'joint defense council' was formed composed of representatives of the two countries. Starting with problem of spare parts for existing armaments an organisation was established entailing further U.S. contributions to the Turkish armaments industry. So relations in the area of defense have been progressively developing.

First Major Investment

Efforts towards defense cooperation between Turkey and U.S. continued after the military government was gone. In fact these

efforts gained added momentum. Some of the work done under Uluusu government started bearing fruit under the Ozal administration. For instance, the construction of the F-16 plant -- the first to manufacture airplanes in Turkey -- was started in Murted, this being the first major investment in the defense area. The plant, the construction of which is proceeding rapidly, is planned to start operation in 88. It is estimated that 152 F-16 planes would be manufactured by the year 98.

Meanwhile despite the agreement with the Germans regarding Leopard-2 tanks the project was abandoned at the last moment as the Germans decided not to proceed citing financial considerations. There was an agreement with the U.S. to enter into joint production of 'anti-tank missiles'. The tank tread plant in Arifiye had already started production one and a half years ago.

Turkey's Burden

In short, there was clearly an intensive activity in the defense area. But at the cost of repetition we can say that defense is a costly investment. All this have meant that Turkey would have to apportion some 20 percent of its already strained budget for defense expenditures. Despite being the poorest country in NATO, Turkey maintained the largest army after U.S. Among the 14 European NATO countries we were maintaining the most populous army with 850,000 soldiers. Though it was a draft army, unlike the paid volunteer armies elsewhere, the cost of clothing, feeding and training 850,000 soldiers, not to mention the loss of manpower resulting from military service, was considerable.

Moreover, efforts in recent years directed at the modernization of armaments, vehicles and materiel have also done their share to increase defense expenditures. The share of machinery and equipment within total defense expenditures has increased three-fold -- i.e. while the share in 80 was 4.7 percent it has gone up to 9.4 percent in 81, 10.8 percent in 82, 10.1 percent in 83 and 13.1 percent in 84. Last year the ratio reached 14 percent. These figures indicate quite clearly the extent of the modernization in the armed forces -- a performance none of the other NATO countries have matched.

In the meantime, Turkey's defense expenditures have reached TL 1 trillion 200 billion in 85 from a base of TL 556 million in 49. Despite that Turkey still requires something like \$20 billion in order to reach the level of other NATO countries regarding vehicles and materiel. Partly responsible for the widening of the gap in the defense area between Turkey and other NATO countries has been the arms embargo imposed by the U.S. in the wake of the 74 Cyprus Peace Operation. However, the embargo brought about a

major reorientation in Turkish defense policy. Following the embargo a new policy of 'make your armaments yourself' was established with a concomitant increase in the share of defense in overall expenditures. And since then, Turkey has even become an exporter of defense materiel, including armaments. In the MKE Kirikkale Armaments Factory, employing 18,000 workers, various items are being produced, including law (light anti-tank weapons), anti-tank weapons, 120 mm mortars, rocket launchers, 35 mm anti-aircraft missiles, 2.75 mm anti-aircraft ammunition, tank turrets, various mines and 60 types of ammunition. The G-3 infantry rifle which costs \$600 when imported could be produced for \$275 per rifle at the MKE factories.

Among projects handled by MKE it is envisioned that the following will be completed this year: MP-5 automatic pistol production, modernization and revision of the gunpowder plant, the second stage of the ammunition freezer and assemblage plant, plant producing anti-tank ammunition effective against the best tanks in the world, revision of the Elmadag dynamite factory, revision of the gas mask factory, and the first unit of the Cankiri anti-aircraft artillery factory. The MKE products in surplus of domestic needs are slated for export. Among other MKE projects: participating within the NATO framework in the 'rocket engine' project and the 'laser-guided artillery missile' project.

Opening Up to Private Enterprise

As it has done in other areas, the Ozal government has established a 'fund' in the defense area -- the largest item of expenditure in the budget -- in line with the idea of creating resources from outside the budget. As a prerequisite of the government's liberal economic policy, bill no. 3238 was passed Nov of last year, thus ending the state monopoly status of the defense industry, henceforth opening it to the private sector. The said legislation has also established the 'High Council for Coordination of Defense Industry' composed of the prime minister, some cabinet ministers, senior military officers and senior civilian bureaucrats. Apart from this executive body, other agencies were established such as the Executive Committee for Defense Industry, headed by the prime minister with chief of general staff and minister of defense sitting as members, and the Defense Industry Development and Support Administration. While the 'Executive Committee' is to determine the principles governing the usage of the Defense Fund, the 'Development and Support Administration' is to implement their decisions. \$500 million a year is envisioned for the Defense Fund. As \$1.5 billion is thought to be necessary for the procurement of modern armaments, vehicles and materiel towards the modernization of

the Turkish armed forces, \$500 billion of this amount is to be provided through the Fund and \$1 billion from the budget.

How Is It To Be Used?

The areas where the Defense Fund could be used directly are specified as follows:

Weapons systems, vehicles and materiel the procurement of which has already been decided -- to be bought either directly or rights to their manufacture to be secured; development or readaptation of new technologies, support of research and development activities directed towards renewal of weapons systems, manufacture of prototypes and securing of buying guarantees.

It would be possible to utilize the resources of the Fund for investment, management and export credits, buying up share capital in companies, providing financial support in bonds or cash. Furthermore, the Defense Industry Development and Support Administration (DIDSA) would be able to reassign the installations under its control, or those public installations which might be transferred to its control when necessary, to new lines of enterprise.

Shopping List for the Next 10 Years

According to Vahit Erdem, director of DIDSA, the main priority in the provision of funds would be given to projects which are orientated towards the needs of Turkish armed forces, and those that could be easily integrated with Turkish industry, and where joint production would be economically feasible. Saying that there would "definitely be no excess capacity created," Erdem produced the following shopping list for the next 10 years:

- Production of various tactical wheeled vehicles
- Production of various armoured fighting vehicles
- Conversion of M-47 tanks into special type of tank
- Modernization of the artillery
- Manufacturing and/or procurement of various types of fighting and electronic war materiel
- Production of firing control radars for anti-aircraft artillery
- Construction of various battleships
- Manufacture of fighter planes and light transportation planes
- Procurement of medium-range surface-to-air batteries
- Procurement of mobile radar systems

Projects to be considered in the initial stage are the following:

- Radars
- Counter-measures equipment in electronic wars
- Command control systems
- HF-SSB systems
- Tactical wheeled vehicles
- Armoured fighting vehicles
- Modernization of the artillery
- Low and medium altitude air defense systems

Attractive Proposition

Noting that the total cost of these projects would amount to something like \$11 billion, Erdem said that during their implementation extensive use would be made of existing installations -- public and private sector alike -- so as to realize savings in terms of time and resources. In determining whether financial support from the Fund be given to firms and investment projects, openness to modern technology, quality of production that accords with NATO standards and the usage of domestic inputs were factors that would figure quite prominently.

Thus the potential created by this legislation, passed at the end of last year, was quite enough to attract officials representing foreign arms producers. Defense Minister Zeki Yavuzturk expressed his views on allowing foreign arms producers to invest in Turkey:

We are supporting and encouraging foreign firms which have long been doing business with the armed forces to enter joint investments. With such an arrangement our needs would be met, and revenues arising from marketing of products and spare parts manufactured in these plants would be recycled back to the disposal of the armed forces. We now see that the recently established fund has been right on the mark, and all this has created a very favorable impression among the allied countries.

Interested Parties

Apart from MEK (the only armament maker in Turkey for many years) ASELSAN had also started producing for the needs of the armed forces. Following the new arrangement major private sector firms have also expressed interest in the military field, and have been busy establishing contacts with foreign partners. Among the first to do so was Asil Nadir planning to manufacture, along with the British firm Vickers, British tanks and personnel carriers. There have been reports that Sabanci Holding was in cooperation with the British firm Marconi. Profilo was in touch with French and Swedish firms. The Koc Group wanted to enter the defense industry in partnership with Ford. Alarko was preparing projects relating to support services and steam systems.

Mercedes and MAN were making their preparations with a view to entering the defense field. Gama was looking for ways and means of cooperating with West German and American firms. Bayma Imtex was thinking in terms of entering the field together with a German firm.

During the last month officials from U.S., Britain, France and Singapore have made contacts and studies in Turkey one after the other. It was quite significant that relations with France, quite cool for some time, entered the improvement process by the visit of Andre Giraud, the defense minister in the liberal Chirac government after a change of government there. Received very warmly in Turkey, Giraud was given the message that France be encouraged to could contribute to our defense industry. Giraud said, "With this visit our relations have gained new dynamism," while adding how impressed he was with Prime Minister Ozal, and that he appreciated his economic competence and his being able to respond on the spot to questions on every subject. Stating that they had been examining the subject of joint investments in the area of defense, Giraud noted that the type of vehicles and materiel to be produced would be determined according to the capacity and potential that existed in Turkey.

Before Giraud's arrival delegations from U.S. and Britain had also made contacts with various sectors on defense investments. The U.S. delegation, headed by Nelson Jackson, representative of the defense preparedness association, was holding discussions with government representatives as well as private sector organizations in Ankara, Istanbul and Izmir. They were learning about conditions and possibilities regarding the establishment of a defense industry in Turkey. During the discussions U.S. delegation was noted for its wariness. It was noticeable that the Americans entertained reservations. They appeared not to want high technology entering Turkey. As reason they were expressing the worry that the technology might fall into hands of a third country, namely the Soviet Union. What was meant by high technology comprised radars, electronic fighting weapons, and tanks.

Bees Going After Honey

The British defense and commerce delegations, headed by Norman Lamont, minister of state in charge of defense procurement, were leaving Turkey with warm impressions. For one thing, the head of the delegation Lamont had been informed, on the second day of the visit, of his appointment as minister of state for finance. He stated that they had been engaged in developing economic relations with Turkey, and were seeking opportunities for joint investment. Apart from construction services they were interested in partnerships with Turkish firms in defense industry and

spare parts. Pointing to the presence of very powerful firms in the defense area in Britain, Lamont expressed Britain's intention to be helpful in this regard during the modernization process Turkey was undergoing, also promising joint partnerships. There was also intensive contacts made between British businessmen and representatives of Turkish firms.

Following the departure of the British and Americans the defense industry delegation from Singapore arrived. Having established contacts with the Union of Chambers, the head of the Singapore delegation Chan Choong noted that this was an exploratory trip aimed at getting information about the defense industry in Turkey, and that they did not have any specific projects in hand. There was also reports of Brazil, which has quite a sophisticated defense industry, participating in the establishment of a defense industry in Turkey. It seemed quite apparent that like bees going after honey foreign firms would be trekking in and out of Ankara to find out what their share of the pie would be.

Interview with Minister of Defense

Ankara YANKI in Turkish 2-8 Jun 86 pp 21-23

[Interview with Minister of Defense Zeki Yavuzturk; date and place not specified]

[Text] Shouldering the important and heavy responsibility of determining how the Defense Industry Fund is to be used, and representing our country in this regard, Minister of Defense Zeki Yavuzturk stated that he favors an intensive examination of the options. Yavuzturk gave the following answers to our questions concerning the Defense Industry Fund:

[Question] Since the establishment of the Defense Fund there has been widespread foreign interest in the formation of Turkish defense industry. How do you view the recent increase in this traffic?

[Answer] The main objective of the new system established by bill no. 3238 is to effect the modernization of the Turkish armed forces. But the realization of this objective will be based on an economic approach to the extent possible. This means that instead of the present system of direct purchasing, the new approach will entail production of armaments, vehicles and materiel which might be economically feasible when manufactured in Turkey, or jointly with participation of Turkish industry, either at existing plants or yet to be constructed installations. Resources to be employed in this enterprise -- existing ones supplemented by the Defense Industry Support Fund -- are estimated to be around (the TL equivalent of) \$500 million annually. The new policy and opportunities have been explained on many occasions to our friends and allies. These opportunities and positive developments in the investment climate in Turkey have awakened great interest among Western

industrialists. Turkey's determination in this regard has been reiterated on every occasion. Also playing a part in this interest is the fact that certain items would be cheaper to produce in Turkey when compared to the West. Finally, it should be considered natural that they should be competing among themselves in order to get a share in the market reinforced by the new opportunities.

[Question] It has been reported in the press that the U.S. delegation has acted with precaution while the British have been quite enthusiastic. What can you say at this stage about proposals of countries which have shown interest in the defense industry, and about Turkey's responses?

[Answer] As far as we know U.S., Britain, Germany and France are showing great interest in our new enterprise. Last week there were meetings with both state officials and industrial firms of these countries. During these meetings Turkey's new policy regarding defense industry, the needs of our armed forces and our investment priorities have been explained to them in detail. Now previously submitted proposals are being reviewed within the framework of the new policy by both sides, and new proposals are being presented in consideration of our new needs. All these countries have shown interest in our projects. Proposals by these countries will be evaluated without any discrimination and implementation will follow swiftly.

[Question] What are the conditions set by Turkey regarding investments by foreign firms? It has been reported that the foreigners were worried about exports of surplus production. NATO countries notwithstanding, will the issue of exports to Middle Eastern countries constitute a problem in these discussions?

[Answer] The primary condition that will be sought in defense-related investments in Turkey would be that they should be open to technological development and comparable to similar productions elsewhere. In view of the rapid developments in defense technology this point is very important. In addition, the production should accord with systems favored by our armed forces, and it should be economically and financially feasible. Merely trying to sell goods to Turkey, or making token investments or exporting home-produced items will not be welcome. The seriousness of the proposals will be determined according to the capacity and potential of domestic partners which will be carefully screened, as well as the gradual increase in the domestic input, reciprocal exports according to type of production, joint production, formation of consortia and so on. In such production activities the dependability of the technology and of the products is a particularly important matter. Therefore, it

would be necessary to establish a special system of dependability similar to instances in other NATO countries. The export of surplus production to NATO and other friendly countries are naturally being considered. Turkey's conditions are suitable for that. However, any conflict of interest with firms or countries bringing in the technology will be avoided, and these issues will be resolved beforehand by means of discussions. Mutual agreement will be the order of the day.

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